



# **MANAGEMENT PARTNERS**

INCORPORATED

April 5, 2010

Hon. Linda M. Thompson  
Mayor, City of Harrisburg  
Early Intervention Program Committee  
The Martin L. King Jr. City Government Center  
10 North Second Street  
Harrisburg, PA 17101

Dear Mayor Thompson:

Management Partners has issued an addendum to the recently submitted report that reviewed the finances and operations of the city government with the support of the Early Intervention Program of the Commonwealth of Pennsylvania.

Subsequent to the review of the draft EIP project report and the issuance of the final project report, the City Treasurer's Office identified several corrections that needed to be made to the text regarding their operation. Although not materially affecting the report recommendations, we nonetheless concluded that the report would benefit from minor revisions to this report section. Accordingly, please treat the attached text as replacing that included in the final project report.

As always, it has been a pleasure to work with you as well as the responsive and professional staff members serving the City of Harrisburg.

Sincerely,

Gerald E. Newfarmer  
President and CEO

**RECEIVED**

**APR - 9 2010**

**Office of the Business Administrator**

## **A. OFFICE OF THE CITY TREASURER (REVISED)**

### **Overview of Department**

The Office of the Treasurer is an independent office established under Pennsylvania statute to provide financial management and treasury services to municipal corporations. The office is headed by an elected Treasurer empowered to hire professional staff to assist with the financial management and treasury functions.

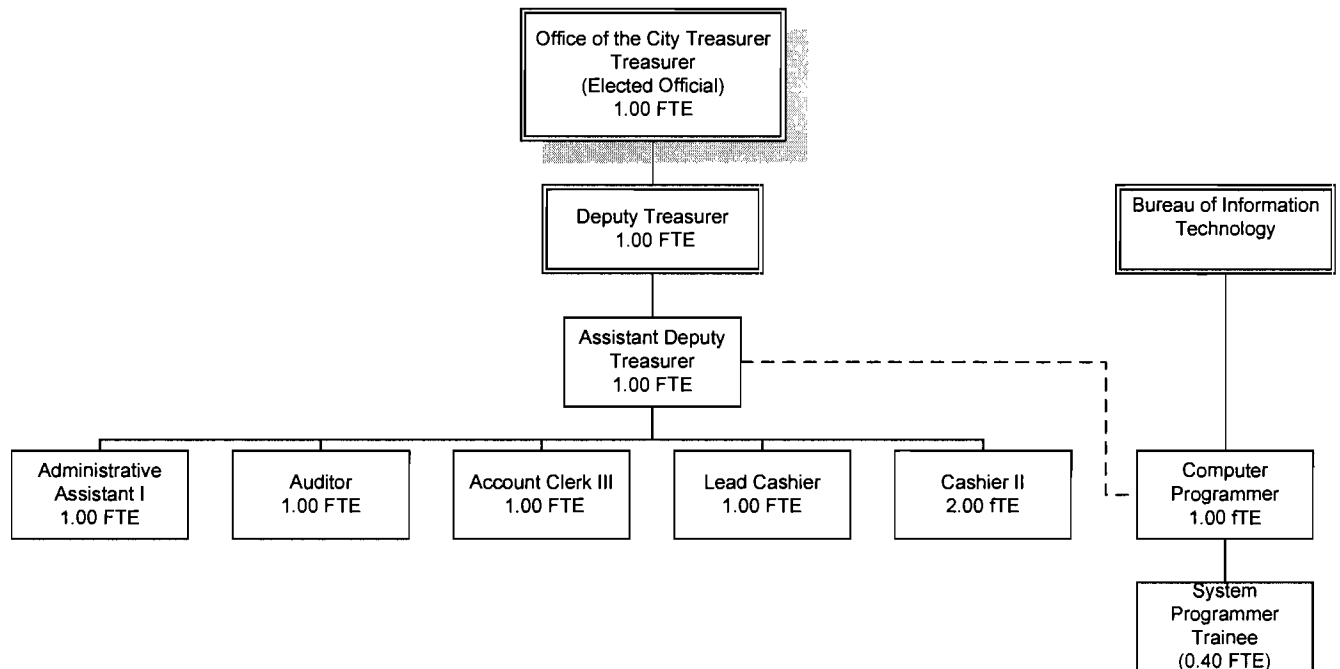
The City Treasurer is responsible for the collection, safekeeping and investment of all City revenues including all fees, fines and taxes. The City Treasurer also serves as the collector for Harrisburg School District taxes. Funds collected are invested using appropriate investment practices that primarily safeguard them while allowing for a reasonable market return on conservative investments.

The Treasurer is responsible for signing all checks for payroll as well as goods and services. The Treasurer is also responsible for coordinating all electronic fund transfers and receipts. The office executes funding transfers for debt service payments on all outstanding City bond and note issues. It also manages all City bank accounts including transfers between accounts and reconciliation of the City's general ledger.

The office monitors City account status electronically on a daily basis. The Treasurer also prepares and distributes monthly reports on City investments, paid invoices, credit card activity and the status of insufficient funds checks to City departments.

Figure G-1 displays the organization of the Office of the City Treasurer. As shown on the organization chart and in the following budget information (Table G-1), in addition to the nine other staff, the office funds one Computer Programmer and a part-time Programmer Trainee (0.40 FTE) that report to the Bureau of Information Technology.

**FIGURE G-1: ORGANIZATION OF THE OFFICE OF THE CITY TREASURER**



**TABLE G-1: BUDGET HISTORY OF THE OFFICE OF THE CITY TREASURER**

	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Estimated</b>	<b>2010 Proposed</b>
	<b>\$ 649,403</b>	<b>\$ 630,173</b>	<b>\$ 580,455</b>	<b>\$ 582,487</b>	<b>\$ 622,648</b>
Personal Services	\$ 554,986	\$ 534,033	\$ 509,260	\$ 473,255	\$ 489,638
Operating Expenses	94,417	96,140	71,195	67,354	91,990
Capital Outlay	\$0	\$0	\$0	41,818	41,020
Grants	\$0	\$0	\$0	\$0	\$0
Non-Expenditure Items	\$0	\$0	\$0	\$0	\$0

## **Issue G-1: Competitively Bid Banking Relationships**

### **Description**

The City of Harrisburg should review current banking relationships and reassess the scope, intensity and relative costs. This can be accomplished through a competitive bid process to test market forces, assure the community that all interested parties have the opportunity to serve the City, as well as more closely follow industry best practices.

### **Observations and Analysis**

The City of Harrisburg maintains relationships with four banking institutions for account management and treasury services. The primary banking relationship is not subject to a written agreement and has not been rebid for at least 15 years. The Treasurer's staff report that the current primary banking services provider charges the City no fees for services while compensating the City with market rate returns on City deposits. Although not required, the City prefers to limit its banking relationships to entities maintaining a local office/presence.

### **Recommendation**

Many changes have taken place in the financial services industry since the City last bid its banking services. It is an established best practice in public finance to rebid banking services about every five years. This allows prospective service providers an opportunity to develop their best range and price of services in competition with other local providers. It is in the City's best interest to regularly reassess banking services for the following reasons:

- To better understand current market dynamics and their impacts on pricing;
- To better understand new product service offerings and how they might improve customer service, safety and liquidity; and
- To provide equitable opportunities for all financial service firms in the community to supply services to the City.

The City can benefit by going to the market to test the City's current assumptions on service providers, their product offerings and relative costs.

### **Recommendation G-1: Conduct a competitive bid process for banking services.**

This recommendation should not be read to suggest that the current primary baking service provider is not providing cost-effective services relative to the market; rather, the point is that the City will be in a better position to make such a determination using the best available market information on services and pricing provided through some type of competitive bid process.

## **Issue G-2: Expand City Service Customer Payment Options**

### **Description**

The City of Harrisburg currently accepts cash, check or money orders for the payment of fees, fines and charges for services. The City has also implemented a direct debit/automated clearing house (ACH) capability in the Treasurer's Office for the payment of taxes and utility bills. However, the City currently accepts credit card payments only in person at the counter. By expanding credit card acceptance to include payment over the phone and via secure internet transaction as payment options, operating costs will be reduced, customer service will be improved and more effective cash flow will result.

### **Observations and Analysis**

The City of Harrisburg provides a wide range of services for which it receives payment as well as acting as an agent for payment of taxes and utility charges. It is vitally important that these transactions occur as follows:

- In a manner that encourages prompt payment (convenience),
- In a manner that minimizes operational costs (efficiency), and
- In a manner that gets the funds processed quickly with minimal processing errors (effectiveness)

The City has shared the experience of other service providers; while there may be an upfront processing or transaction fee for the use of a credit card for payment, the improvement in "sales" and payment performance as well as efficient payment processing with minimal operating costs should outweigh the transaction fee. The City is currently working with a local bank to implement systems allowing credit card payments to the City over the phone.

### **Recommendation**

The City of Harrisburg should expand payment options currently available to customers of City services to improve overall operating performance of the City.

**Recommendation G-2: Modify city procedures to expand acceptance of credit and debit cards for payment for City services.**

The City will be challenged in the near future by its current and forecast fiscal issues. It is imperative that fiscal operations work as efficiently and effectively as possible to improve timely payments and cash flow. Expanding the acceptance of credit cards as mechanisms for payment can lead to the following process improvements.

- **Increase Sales.** Industry research indicates that the ability to accept credit cards can increase revenue by as much as 23%. Broadening the scope of payment methods will make services or products more readily available to current and potential customers. A main reason credit cards are so popular is that they are convenient.
- **Improve Cash Flow.** Electronic transaction processing can help speed up the payment process. Instead of waiting for checks to clear, or wait 30, 60, or even 90 days for invoices to be paid, funds resulting from credit and debit card transactions would be deposited directly into the City's accounts, possibly within 48 hours. Electronic payments can enable faster payment cycles, which lead to improved cash flow and decreased billing overhead costs.
- **Improve Staff Productivity.** Credit card processing allows for an automatic transaction flow. Automated acceptance and settlement allows funds from the credit or debit transaction to be directly deposited into the City's accounts. By making the payment process more efficient and less time-consuming, the City can avoid costs associated with notification and collection. The City can instead focus on the other aspects of customer services and delegate payment processing to the bank or transaction processor.
- **Lower Costs.** Accepting credit cards helps streamline operational costs and cuts down on overhead by eliminating the need to send bills and manage account receivables. It is often less expensive to process credit and debit cards than to accept checks. Furthermore, it helps control shrinkage; since the process is automated there is no cash on hand to "walk off" with.
- **Improve Customer Service.** Expanded credit card acceptance helps improve customer service and public perception of the City as an effective and responsive agency. Minimizing the need for a physical visit to a City facility and the resulting direct interaction with City staff members can reduce per transaction processing costs, allow reassignment of staff to other issues, as well as provide more convenient and valued services to the customer.

**CITY OF HARRISBURG**

**MANAGEMENT AND FINANCIAL AUDIT AND  
FIVE YEAR PLAN**

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**March 2010**



**MANAGEMENT PARTNERS**  
INCORPORATED





# **MANAGEMENT PARTNERS**

I N C O R P O R A T E D

March 17, 2010

Mr. J. Michael Casey  
Interim Business Administrator and Committee Chair  
City of Harrisburg  
Early Intervention Program Committee  
The Martin L. King Jr. City Government Center  
10 North Second Street, Suite 304  
Harrisburg, PA 17101

Dear Mr. Casey:

Management Partners is pleased to submit this project report to the City of Harrisburg. This report presents the observations and recommendations of our financial and operational analysis of City services.

The City of Harrisburg retained Management Partners to conduct a review of the finances and operations of the city government with the support of the Early Intervention Program of the Commonwealth of Pennsylvania. A mid-project report was submitted to the City on December 18, 2009. That report summarized our work to that point, and set forth the conclusion that the City faced a financial crisis in 2010. In it we indicated that we would be preparing an Emergency Financial Plan in accordance with our contract. We submitted the Emergency Plan under separate cover; the City should consider it as a companion document to this detailed project report.

During the past several months, Management Partners has conducted a systematic evaluation of both the finances and the operations of the City government. As noted in the mid-project report, the City is confronting a critical situation. It needs to address a financial crisis caused by a combination of the City's debt obligations, the severe adverse impact of the current economy, and continuing reliance on outdated internal processes and operational practices. At the same time, the City's physical and administrative infrastructure is suffering from years of underinvestment. The financial and operational challenges are large, as are the opportunities for improvement.

This report details the facts of the City's current and prospective financial situation, and sets forth the basic facts and analysis about the operations of the government for each of the City's Departments and Bureaus. We identify and include recommendations for improvement, both large and small, in applying best practice techniques to every aspect of City operations. The result will be an agenda for improvement going forward. More fundamentally, the implementation of the recommendations in this financial and operational analysis is essential to the fulfillment of the Emergency Plan we have prepared.

The City has not been static in addressing the operational issues we describe in this report. In the intervening period between our field work and issuance of this report, the City's departments have already begun to implement changes to reduce costs and improve services. We acknowledge, and compliment the City for, those efforts.

It's been a pleasure to work with your staff. With the challenges of the change in leadership, critical gaps in essential management positions, and the assignment to assist with this study, they have made every effort to be helpful in providing information and being responsive to our observations and recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read "Gerald E. Newfarmer", with a stylized flourish at the end.

Gerald E. Newfarmer  
President and CEO

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## OVERVIEW

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The City of Harrisburg, Pennsylvania operates under a Strong Mayor form of Government. The total number of budgeted positions is 596 for 2009. In response to a long-term decline in financial resources, the City has been in a regular mode of service and staff reduction. Since 1995, the number of permanent full time equivalent (FTE) positions has been reduced from 811.68 to 596.00, a reduction of 215.68 positions.

Harrisburg is a diverse community of 47,196 residents who live together in a dense urban environment that covers only 11.4 square miles of which 8.1 is land area. It is a full-service city that provides public safety, health, housing, parks, streets and highways, water and sewer for its residents. The City is also the capital city of the Commonwealth of Pennsylvania.

For the past 28 years, the City has operated under the leadership of Mayor Stephen Reed. On January 4, 2010, Ms. Linda Thompson assumed the mayoralty. She did so in a period of financial crisis caused both by the long term fiscal constraints on the City, institutional financial and operational issues that are beginning to evolve, and the burden of a large debt obligation assumed from The Harrisburg Authority's (THA) Resource Recovery Facility (RRF).

To develop a coherent strategy for dealing with challenges, the City of Harrisburg retained Management Partners through a grant from the Commonwealth of Pennsylvania's Department of Community and Economic Development (DCED) Early Intervention Program (EIP). The EIP is designed to aid communities that face fiscal challenges by intervening early so that Act 47 (the Pennsylvania statute for municipal bankruptcy) can be avoided.

The scope of the project included assisting the City in developing a well conceived, long-range plan; establishing short and long-term management and financial objectives to strengthen the internal management structures of the City; improve the City's ability to provide necessary services; improve the City's ability to increase non-tax revenues; and ensure the long-term fiscal health of the City through better management, cost-containment and economic growth.



## **EXECUTIVE SUMMARY**

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Over a period of four months, Management Partners conducted an extensive financial review and operations audit of the City of Harrisburg that included developing a multi-year financial plan. Management Partners staff interviewed department and division managers; conducted field observations; examined a range of budgetary, operational and planning documents; and applied best practices to the knowledge we gained of the City's processes.

This report details our findings and observations, and specifically recommends an extensive list of actions that, when implemented, will substantially reduce costs, increase revenues, and improve service delivery to the people of Harrisburg across the entire government. When taken in combination with an Emergency Financial Plan, this study provides a roadmap that we believe will contribute greatly to the resolution of the City's immediate crisis.

Every organization has opportunities to improve how it functions. The City of Harrisburg has been bold enough to ask that a professional, unbiased outside review be conducted to identify the improvement opportunities that exist. While it is a review of City operations and recommends improvements in management and operations, the report should not be read as critical of the employees, management or administration of the City of Harrisburg. It is our observation that the City's workforce has made a strong effort to be responsive to the residents of the City and remains committed to the mission of providing quality services within the resources available to the City during a period of national economic stress.

Organizations develop over time – yesterday's solutions sometimes become today's problems. By taking the time to examine the City's operations, the City can validate what works, what used to work in the past but now needs redirection, and identify new strategies for quality service delivery.

The primary conclusion of this report is that the City of Harrisburg must immediately address its financial crisis, and the recommendations of this report emphasize that course of action. However, in doing so, the City cannot ignore the need and the opportunity to maintain and upgrade its corporate and physical infrastructure. Now is also the time to begin rebuilding essential financial reserves.

We anticipate that there will be considerable opposition of many of our recommendations. The City will have to make difficult decisions to make bold, unpopular but critical changes. Without the commitment to make the decisions presented in this report, together with the recommendations of the separate Emergency Financial Plan, the City will have little likelihood of resolving its financial crisis.

## **City Finances**

The finances of the City require immediate attention. There are three elements to this requirement: debt service management, cash management, and institutional financial and operational practices. The separate Emergency Financial Plan that Management Partners has prepared addresses all three of these elements. This project report addresses specifically the institutional and operational issues confronting the City.

If nothing is done to reverse the City's current revenue and expense trend, initial projections show a \$19 million cumulative deficit by between 2011 and 2015, *separate from, and in addition to*, the City's debt service obligation.

This cumulative deficit does not include the need to regenerate financial reserves and to restore its corporate and physical infrastructure. This latter need is further complicated by the City's inability to use general obligation debt to finance infrastructure capital maintenance caused by the RRF debt obligation. Developing a conscious strategy to address this in the near term is a critical priority for the City.

## **City Support Services, Facilities and Equipment**

We found many opportunities to improve the efficiency and effectiveness of City service delivery. Staffing is based essentially on manual processes with a limited use of information and field technology as force multipliers that enable fewer employees to provide more service. By improving business processes, enhancing technology, and the use of more robust management systems, the City can significantly reduce service costs while maintaining fundamental services. The report outlines a number of recommendations to strengthen the core central services upon which the rest of the organization depends.

## **Public Safety**

As with many organizations in crisis, the City has only invested in public safety in recent years. This has been done without critically evaluating the means by which the Police and Fire Bureaus manage their workforce to accomplish performance goals. This report recommends a variety of

strategies designed to better allocate and use personnel resources. These strategies can substantially reduce public safety costs while retaining or expanding stated public safety goals.

Each of the agencies has the opportunity to help its own mission by agreeing to working condition and schedule modifications identified in the report which will free up additional money which can then be invested in the critical and essential needs of the City. No doubt the recommendations will be unpopular – yet to change the future, labor units must partner with City administration to create a different and more positive future for the entire community.

## **The Bottom Line**

The City of Harrisburg faces the need for major change, unfettered by the past. A new administration charged with addressing a financial crisis that has developed over years should have greater latitude to make difficult decisions.

Many of the recommendations in the report will bring about efficiency savings and/or better service delivery; however, it will take hard work to make the improvements happen. Business as usual will not solve the City's financial and operational crisis. The City's leadership will need to overcome opposition and make the decisions necessary to resolve this crisis.



## METHODOLOGY

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Through the DCED EIP grant, the City of Harrisburg contracted with Management Partners to conduct an operations audit and develop a multi-year financial plan. The initial activity consisted of conducting a financial analysis that assessed financial trends and the current financial condition of the City's General Fund budget.

Management Partners prepared a multi-year projection of revenues and expenses, called the base case that quantifies the future financial condition based on current trends. The financial assessment also included an analysis of actions available to the City for attacking the financial crisis. The available actions analysis included a review of economic development strategies, plans and projects, the financial impact of management audit recommendations, and taxation alternatives. Alternative financial scenarios are presented based on the available actions analyzed.

Management Partners conducted a management audit of the City's major Bureaus and Departments, including Police, Fire, Public Works, Administrative Services, Economic Development, Housing and Building, and Parks and Recreation, and City Solicitor. We also reviewed the offices of City Controller and City Treasurer. The management audit identifies critical needs and opportunities for operational efficiencies and improvements.

The management audit analysis was based on a variety of information sources, including interviews with key staff in each department. The interviews were supplemented with detailed analysis of available operations data to understand service demand and response capacity. This analysis was complemented by Management Partners' knowledge of best practices in the operation and delivery of each of the services the City operates. Recommendations for improving operations and reducing costs while maintaining essential services are included in the review of each department.

We base our many recommendations on the objective analysis of the information and data available to us; our knowledge of, and experience with, industry best practices for cities of Harrisburg's size and complexity; and the development of appropriate business cases to support the recommendations.



## **FINANCIAL ANALYSIS**

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This section of the report presents an analytical synopsis of Harrisburg's financial condition. There are five components to this section of the report:

- A summary of the 2010 fiscal year financial condition
- A projection of the 2011 through 2015 financial condition
- An analysis of revenue sources for the period 2011 through 2015
- An analysis of expenditures for the period 2011 through 2015
- An analysis of the financial condition from 2010 to 2015

### **Summary of 2010 Financial Condition**

The 2010 Proposed Budget, submitted by the Mayor in December of 2009 is a balanced budget. In preparing the starting scenario for a five-year financial forecast, we had to accept the 2010 budget proposed by the Mayor as the basis of our forecast because it represents the most current financial information available.

There are two important factors that must be taken into consideration in analyzing the 2010 Proposed Budget. First, the budget proposes disposing of City assets in the amount of \$67 million in order to meet City guarantees on Resource Recovery Facility bond payments due in 2010. The second consideration is that a one-time \$2.8 million carryover surplus be used to balance the 2010 Proposed Budget.

Of primary concern regarding the 2010 Proposed Budget is whether the City's cash flow will be sufficient to meet monthly debt service obligations for the Resource Recovery Facility. Failure to meet monthly debt service obligations would constitute a default and could become a reason for a petitioner to seek to have Harrisburg declared financially distressed and placed under the auspices of Act 47.

Based on data provided by Harrisburg, nearly \$17 million in debt service guarantees must be paid by the end of June 2010. It is extremely optimistic to believe that the sale of City assets, many of which have not even been appraised as to their market value, could be effectuated in time to meet the City's guarantees that are due in the first half of 2010. The best opportunity to avoid default requires that other measures in addition to asset sales must be developed and adopted.

As an element of this project, Management Partners developed an emergency financial plan for 2010 and transmitted that plan to the Mayor and City Council under separate cover.

**Recommendation 1: Implement the steps detailed in the 2010 emergency financial plan.**

The second concern is that \$2.8 million of carryover 2009 surplus revenue is proposed to be used to balance the 2010 Budget. It is contrary to sound financial practice to use one-time resources to pay for ongoing costs. While it is usually the case that there is a carryover surplus of revenue each year, the projection of financial conditions from 2011 through 2015 indicates that Harrisburg is facing stagnating revenue and rising operating costs that will lead to annual deficits instead of surpluses.

The 2010 Proposed Budget includes several factors that represent permanent cost increases in the years 2011 through 2015, including wage adjustments for City employees and increases in the number of employees, among others. Current revenue resources and current tax rates will not be able to sustain these increases. To the degree that the \$2.8 million carryover surplus is used to fund such increases in 2010, it will become necessary in 2011 and beyond to counteract the loss of that non-recurring resource by even deeper expense reductions than would have been necessary had those expenses been avoided in the first place.

**Recommendation 2: Balance the 2010 General Fund Budget without the use of the 2009 carryover surplus.**

An additional consideration regarding the \$2.8 million carryover surplus is that it represents the only reserve funds available to the City. Prudent financial policy for local government is that a city maintains a strategic reserve of 5% of its General Fund budget. Based on a \$65 million General Fund budget, Harrisburg should maintain a strategic reserve of \$3.2 million. Given the short-term financial constraints facing the City in 2010, balancing the 2010 budget without using the \$2.8 million carryover surplus is even more important.

**Recommendation 3: Allocate the 2009 carryover surplus to rebuilding General Fund reserves.**

## Financial Forecast for 2011 to 2015

An element of this project includes the development of a financial model and the application of that model to formulate a forecast of Harrisburg's future financial condition. Four funds are integral components to the analysis of the City's overall financial condition:

- General Fund
- Debt Service Fund
- Water Bureau Fund
- Sewerage Utility Fund

A forecast of each of these funds has been prepared and is presented in this section.

### **General Fund Financial Forecast from 2011 to 2015**

The General Fund is the source fund for revenue and expenditures related to most government services provided by Harrisburg. The General Fund financial forecast for 2011 through 2015 is shown in Table 1.

**TABLE 1: HARRISBURG GENERAL FUND FINANCIAL FORECAST FROM 2011 TO 2015**

	2010	2011	2012	2013	2014	2015
<b>Revenue</b>	\$64,710,369	\$60,628,812	\$60,776,196	\$60,452,224	\$60,724,837	\$61,049,464
<b>Expenses</b>	\$64,710,369	\$62,305,030	\$63,467,842	\$64,589,782	\$65,746,297	\$66,733,436
<b>Surplus/(Deficit)</b>	\$0	(\$1,676,218)	(\$2,691,646)	(\$4,137,558)	(\$5,021,460)	(\$5,683,972)
<b>Cumulative Current Surplus/(Deficit)</b>	\$0	(\$1,676,218)	(\$4,367,864)	(\$8,505,422)	(\$13,526,882)	(\$19,210,854)

The table indicates a pattern of slow revenue growth and increasing expenses. This condition causes annual deficits that would accumulate to \$19.2 million over time.

Every forecast of future year financial conditions makes certain assumptions. It is important to note the assumptions that are driving the outcomes of financial forecasts so that forecasts can be used optimally. The major assumptions in this forecast include the following:

- Property values will continue to decrease slightly over the life of the forecast as has been the case since 2007;
- Property tax rates are not projected to increase beyond the 2009 effective tax rate of \$10.10 per thousand dollars valuation;
- Local Service Taxes and Earned Income Taxes will grow slowly at a rate of less than 2% per year;
- Business Privilege Taxes will grow slowly at a rate of slightly higher than 2% a year;

- Water and sewer rates will not increase and the allocation of funds from these sources to the General Fund will remain flat at the 2010 Proposed Budget level of approximately \$12.5 million;
- Fees set by the City, such as for building permits and public safety, will not increase in rate or volume compared with the 2010 Proposed Budget (resulting in a flat revenue forecast);
- Grant revenue is forecast to be available only for the grant contract period and no longer;
- Increased vehicle maintenance costs will be passed through to external agencies for which such service is provided, accounting for an annual increase of 4%;
- Volumes and rates of fines and penalties assessed through the District Court will remain flat at the 2010 level;
- Revenue from the Commonwealth for pension system aid and capital fire protection will remain flat at the 2010 Proposed Budget level;
- Revenue from the Harrisburg Parking Authority coordinated agreement will remain flat at the 2010 level of \$4,500,000, absent a plan to increase parking fees;
- Net revenue from sanitation operations remitted to the General Fund will gradually decrease from the 2010 proposed level of \$1.3 million to \$900,000 over the life of the forecast, absent an increase in rates or an anticipated increase in the number of accounts;
- Wage increases for City employees are included, based on current contractual agreements as specified below:
  - Police: 4% in 2011, 3% per year in 2012 to 2015
  - Fire: 3% in 2011, 4% in 2012, 3% in 2013 to 2015
  - AFSCME: 4% in 2011, 3% in 2012 to 2014, 0% in 2015
  - Non-bargaining unit: 0% from 2011 to 2015
- Operating expenses will increase an average of 3% a year based on the Federal Reserve System target for price stabilization;
- Medical benefits expenses will increase by 12% a year based on recent experience and interview information from Harrisburg staff;
- Non-medical insurance costs will remain relatively flat at the 2010 proposed budget level; and
- City of Harrisburg direct debt service expense of \$10,325,921 is included in each year for the period 2011 through 2015 and increases over that amount are included in the Debt Service Fund Forecast.

The assumptions specified above have been applied to the 2010 Proposed Budget submitted by the Mayor with the outcome as depicted in Table 1 above.

Table 2 shows the impact if the property tax rate was adjusted to eliminate the forecast deficit.

**TABLE 2: PROPERTY TAX RATE MILLAGE REQUIRED TO BALANCE THE BUDGET**

	2011	2012	2013	2014	2015
<b>Millage Rate to Balance Budget</b>	\$11.29	\$12.02	\$13.04	\$13.67	\$14.14
<b>\$ Increase from Prior Year</b>	\$1.19	\$0.72	\$1.03	\$0.63	\$0.47
<b>% Increase from Prior Year</b>	11.81%	6.39%	8.55%	4.81%	3.44%

Table 2 indicates that to eliminate the projected annual deficits in the General Fund, the property tax rate would have to be increased each year. Over the life of the forecast, the property tax rate would increase from the current rate of \$10.10 to \$14.14, an increase of approximately 41%.

### **Debt Service Fund Financial Forecast for 2011 to 2015**

The Debt Service Fund is the source fund for revenue and expenses associated with the payment of direct debt of the City of Harrisburg and also for payments related to the guarantees made by Harrisburg for payment of direct debt of related agencies such as The Harrisburg Authority. The Debt Service Fund Forecast is shown in Table 3.

**TABLE 3: HARRISBURG DEBT SERVICE FUND FINANCIAL FORECAST 2011 - 2015**

	2011	2012	2013	2014	2015
<b>Revenue</b>	\$10,992,813	\$10,992,813	\$10,992,813	\$10,992,813	\$10,992,813
<b>Expense</b>	\$28,537,439	\$28,658,172	\$27,133,190	\$23,752,745	\$23,048,726
<b>Surplus/(Deficit)</b>	(\$17,544,626)	(\$17,665,359)	(\$16,140,377)	(\$12,759,932)	(\$12,055,913)
<b>Cumulative Surplus/(Deficit)</b>	(\$17,544,626)	(\$35,209,985)	(\$51,350,362)	(\$64,110,294)	(\$76,166,207)

Table 4 shows the breakdown of the expense portion of the forecast into its component parts.

**TABLE 4: HARRISBURG DEBT SERVICE EXPENSE COMPONENTS 2011 - 2015**

	2011	2012	2013	2014	2015
<b>Direct Debt Service</b>	\$12,138,788	\$12,104,275	\$11,240,331	\$11,134,327	\$10,430,308
<b>Resource Recovery Facility Guarantees</b>	\$16,398,651	\$16,553,897	\$15,892,859	\$12,618,418	\$12,618,418
<b>Total Payment</b>	\$28,537,439	\$28,658,172	\$27,133,190	\$23,752,745	\$23,048,726

The direct debt service data has been supplied by Harrisburg Finance Department staff. The resource recovery facility guarantee amount has been derived based on information supplied by The Harrisburg Authority staff. At Management Partners' request, The Harrisburg Authority developed a five-year financial projection for the operation of the resource recovery facility. The data in Table 4 that show resource recovery facility

guarantees is the amount of debt service due that The Harrisburg Authority projects it will not be able to cover from net facility operating revenue. It must be noted that the scope of this project did not include analysis of the operations of The Harrisburg Authority. Thus, the amounts estimated as guarantee payment requirements by the City are based on the non-validated projections of the net operating revenue of the resource recovery facility.

Table 5 shows the amount of property tax that must be levied in order to eliminate the forecast Debt Service Fund deficit as shown in Table 3.

**TABLE 5: PROPERTY TAX RATE REQUIRED TO ELIMINATE FORECAST DEBT SERVICE FUND DEFICIT**

	2011	2012	2013	2014	2015
<b>Forecast Deficit</b>	(\$17,544,626)	(\$17,665,359)	(\$16,140,377)	(\$12,759,932)	(\$12,055,913)
<b>Property Tax Rate To Eliminate Deficit</b>	\$10.74	\$10.80	\$9.86	\$7.79	\$7.35

The data in Table 5 assume that the resource recovery facility will achieve the net operating revenue projections estimated by The Harrisburg Authority staff. The property tax rate is the amount that must be levied each year to eliminate the forecast deficit.

### **Consolidated General Fund and Debt Service Fund Property Tax Rate Analysis**

Table 6 shows the annual property tax rate that must be levied to eliminate the forecast deficits in the General Fund and Debt Service Fund.

**TABLE 6: CONSOLIDATED PROPERTY TAX RATE MILLAGE ANALYSIS**

	2011	2012	2013	2014	2015
<b>General Fund Property Tax Rate</b>	\$11.29	\$12.02	\$13.04	\$13.67	\$14.14
<b>Debt Service Fund Property Tax Rate</b>	\$10.74	\$10.80	\$9.86	\$7.79	\$7.35
<b>Total Property Tax Rate</b>	\$22.03	\$22.82	\$22.90	\$21.46	\$21.49

The rates shown in this table should be compared to the current effective tax rate of \$10.10 per thousand valuation. As the table shows, to eliminate forecast deficits, the property tax rate would need to double.

### **Water Bureau Fund Financial Forecast for 2011 to 2015**

The Harrisburg Authority owns the water treatment plant and water distribution system. The City of Harrisburg Water Department operates and maintains the system through a management agreement with The Harrisburg Authority. Table 7 shows the financial forecast for the fund from 2011 through 2015.

**TABLE 7: HARRISBURG WATER BUREAU FUND FINANCIAL FORECAST 2011 TO 2015**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Revenue</b>	\$22,946,550	\$22,946,550	\$22,946,550	\$22,946,550	\$22,946,550
<b>Expense</b>	\$22,795,410	\$23,116,141	\$23,451,594	\$23,802,821	\$24,124,137
<b>Surplus/(Deficit)</b>	\$151,140	(\$169,592)	(\$505,044)	(\$856,271)	(\$1,177,587)
<b>Cumulative Surplus/(Deficit)</b>	\$151,140	(\$18,452)	(\$523,496)	(\$1,379,767)	(\$2,557,354)

The forecast assumes that there will be no growth in water sales volume over projected 2010 sales. It also assumes that water rates will not increase above the 2010 rate structure. Expense increases are based on the following assumptions.

- Wage increases for City employees are included based only on current contractual agreements as specified below:
  - AFSCME: 4% in 2011, 3% in 2012 to 2014, 0% in 2015
  - Non-bargaining unit: 0% from 2011 to 2015
- Operating expense will increase an average of 3% a year based on the Federal Reserve System target for price stabilization;
- Medical benefits expenses will increase by 12% a year based on recent experience and interview information from Harrisburg staff;
- Non-medical insurance costs will remain relatively flat at the 2010 proposed budget level; and
- Approximately \$5.2 million a year of expenses represents payment to the City's General Fund for administrative costs.

Annual debt service expense is included at the 2010 Proposed Budget level of \$13,176,372 for the life of the forecast. (Management Partners requested a detailed summary of debt service payments for the period of the forecast, but at the time this report was prepared, the requested information had not been received.)

The forecast indicates that the Water Bureau Fund is in a fairly stable situation requiring minor annual rate increases to eliminate forecast deficits. Table 8 shows the forecast impact on water rates.

**TABLE 8: HARRISBURG WATER RATE FORECAST 2011 TO 2015**

	2011	2012	2013	2014	2015
Projected Surplus/(Deficit)	\$151,140	\$18,452	\$335,453	\$351,227	\$321,316
Rate Increase Required to Eliminate Forecast Deficit	0.00%	0.08%	1.45%	1.52%	1.40%

### **Sewerage Utility Fund Financial Forecast from 2011 to 2015**

The Bureau of Sewerage, also identified as the Advanced Wastewater Treatment Facility (AWTF), through a lease agreement, operates the sewerage conveyance and treatment system for The Harrisburg Authority (THA). Table 9 shows the financial forecast for the sewerage utility fund.

**TABLE 9: HARRISBURG SEWERAGE UTILITY FUND FINANCIAL FORECAST 2011 TO 2015**

	2011	2012	2013	2014	2015
<b>Revenue</b>	\$15,143,423	\$15,143,423	\$15,143,423	\$15,143,423	\$15,143,423
<b>Expense</b>	\$17,339,407	\$17,339,407	\$17,779,835	\$18,239,791	\$18,720,618
<b>Surplus/(Deficit)</b>	(\$2,195,984)	(\$2,195,984)	(\$2,636,412)	(\$3,096,368)	(\$3,577,195)
<b>Cumulative Surplus/(Deficit)</b>	(\$2,195,984)	(\$2,195,984)	(\$4,832,395)	(\$7,928,763)	(\$11,505,958)

The forecast assumes that there will be no growth in water sales volume over projected 2010 sales. (Sewer revenue is a function of water sales.) It also assumes that sewerage rates will not increase over the 2010 rate structure. Expense increases are based on the following assumptions.

- Wage increases for City employees are included based only on the current contractual agreements as specified below:
  - AFSCME: 4% in 2011, 3% in 2012 to 2014, 0% in 2015
  - Non-bargaining unit: 0% from 2011 to 2015
- Operating expense will increase an average of 3% a year based on the Federal Reserve System target for price stabilization;
- Medical benefits expenses will increase by 12% a year based on recent experience and interview information from Harrisburg staff;
- Non-medical insurance costs will remain relatively flat at the 2010 proposed budget level; and
- Approximately \$7.2 million a year of expenses represents payment to the City's General Fund for administrative costs.

Annual debt service expense is included at the 2010 Proposed Budget level of \$4,018,091 for the life of the forecast. (Management Partners requested a detailed summary of debt service payments for the period of the forecast, but at the time this report was prepared, the requested information had not been received.)

The financial forecast indicates that there will be substantial annual deficits, absent increases in water sales volume or increases in sewerage rates. Table 10 shows the increase in sewer rates needed to eliminate forecast annual deficits.

**TABLE 10: HARRISBURG SEWERAGE RATE FORECAST 2011 TO 2015**

	2011	2012	2013	2014	2015
Projected Surplus/(Deficit)	(\$2,195,984)	(\$4,832,395)	(\$459,956)	(\$480,828)	(\$448,500)
Rate Increase Required to Eliminate Forecast Deficit	14.50%	31.91%	2.59%	3.71%	2.24%

## General Fund Revenue Analysis for 2011 to 2015

Harrisburg's General Fund revenue is composed of several sources as shown in Table 11. The sources are grouped into major categories as classified in the Harrisburg budget document.

**TABLE 11: GENERAL FUND REVENUE FORECAST FOR 2011 TO 2015**

Revenue Source	2011	2012	2013	2014	2015
Real Estate Taxes	\$15,551,475	\$15,544,645	\$15,537,852	\$15,531,099	\$15,524,384
Sewerage Utility Receipts	\$7,275,386	\$7,275,386	\$7,275,386	\$7,275,386	\$7,275,386
Water Utility Receipts	\$5,232,783	\$5,232,783	\$5,232,783	\$5,232,783	\$5,232,783
Parking Utility Receipts	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000
Mercantile/Business Privilege Taxes	\$3,916,188	\$3,985,659	\$4,056,515	\$4,128,784	\$4,202,495
Intergovernmental Revenue	\$3,536,359	\$3,536,359	\$3,536,359	\$3,536,359	\$3,536,359
Earned Income Taxes	\$3,483,500	\$3,524,954	\$3,566,901	\$3,609,347	\$3,652,298
Local Service Taxes	\$2,993,631	\$3,049,911	\$3,107,249	\$3,165,666	\$3,225,180
Sanitation Utility Receipts and Transfers	\$2,311,299	\$2,216,787	\$2,114,898	\$2,004,867	\$1,885,840
Public Works Fees and Charges	\$1,987,522	\$2,066,820	\$2,149,290	\$2,235,059	\$2,324,259
Public Safety Fees and Charges	\$1,902,898	\$1,902,898	\$1,902,898	\$1,902,898	\$1,902,898
City Parking Violations	\$1,221,603	\$1,298,075	\$1,379,334	\$1,465,681	\$1,557,432
Building and Housing Development Fees	\$990,232	\$990,232	\$990,232	\$990,232	\$990,232
Hotel Taxes	\$719,977	\$755,975	\$793,774	\$833,463	\$875,136
Fines and Forfeits	\$703,654	\$703,654	\$703,654	\$703,654	\$703,654
Administrative Fees	\$689,888	\$689,888	\$689,888	\$689,888	\$689,888
Public Safety Grants	\$688,048	\$584,640	\$0	\$0	\$0
Cable TV Franchise	\$590,477	\$590,477	\$590,477	\$590,477	\$590,477

<b>Revenue Source</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
License					
Property Transfer Taxes	\$444,504	\$444,504	\$444,504	\$444,504	\$444,504
Payment in Lieu of Taxes	\$429,372	\$429,372	\$429,372	\$429,372	\$429,372
Miscellaneous Income	\$802,311	\$811,733	\$821,532	\$831,723	\$842,321
Business Licenses	\$259,822	\$277,292	\$299,915	\$329,972	\$370,942
CDBG Reimbursement	\$252,410	\$252,410	\$252,410	\$252,410	\$252,410
Recreation Fees	\$145,474	\$145,474	\$145,474	\$145,474	\$145,474
Total Revenue	\$60,628,812	\$60,809,927	\$60,520,698	\$60,829,097	\$61,153,724

Based on current trends and economic forecasts that pertain to local government revenue sources, General Fund revenue is projected to remain essentially flat over the life of the forecast.

The single largest source of revenue, real estate taxes, comprises approximately 26% of General Fund resources. Total revenue is driven by the underlying value of land and improvements on the land. Values for land and improvements are established by the County Assessor. From 2004 through 2009, real estate values have remained essentially flat with a decreasing trend evident beginning in 2007. The forecast for property values is for the small decreasing trend to continue as assessments are adjusted to account for the slump in the real estate market. The forecast assumes that there will be no adjustment in the real estate tax rate levied by Harrisburg.

Harrisburg's General Fund relies heavily on the transfer of net profits from utility operations. Utility transfers account for nearly 32% of General Fund resources. Sources of utility revenue include water sales, sewer service charges, parking system revenue, and sanitation collection charges. Total revenue is a function of volume and rate. The forecast assumes that volumes in each of these areas will remain in a no growth mode and that rates will be unchanged over the life of the forecast. The result is that resources from utility transfers are expected to remain essentially flat.

Intergovernmental revenue consists primarily of payments by the Commonwealth for pension systems according to law and for reimbursement for fire protection service for the Capitol. The forecast assumes that future experience in these categories will continue at the 2010 projected level.

Business Privilege taxes are levied on gross receipts of various categories of persons, firms, companies and corporations engaging in business in Harrisburg. Data for 2009 indicate a slight increase in collections. The forecast uses an annual growth rate of 2.11% in estimating future revenue from this source.

Earned Income taxes of 1% are levied on the earned income of persons employed within the City of Harrisburg. Collection trends indicate a slight annual increase in revenue from this source. The forecast assumes an annual growth rate of 1.2%.

Local Services taxes of \$52 per year are levied on persons working in Harrisburg. By law, \$5 of the tax is distributed to the school district. The forecast assumes that revenue from this source will increase at an annual rate of 1.18% based on actual 2009 experience.

Public Works fees and charges consist of a variety of fees for services provided. The single largest source is the charge for sewer maintenance. Other charges include vehicle maintenance charges to external agencies such as the school board and utilities for maintaining their fleet. Rates are a function of actual costs. Consequently, revenue for maintenance activities is expected to increase to reflect anticipated cost increases. The forecast assumes a 4% annual increase in fees and charges.

The primary sources of income included in Public Safety Fees and Charges are extra duty revenue for police officers, reimbursement by the school district for school resource officers, reimbursement by the Harrisburg Housing Authority (HHA) for officers assigned to security details at HHA properties, and meter bag rentals. Extra duty revenue is money collected by the City for police officers working for private sector events on off-duty time. Most of these funds are passed through to the officer working the event with the City keeping a small overhead charge. The school district pays a fixed amount for the assignment of school resource officers to various schools during the school year. The Harrisburg Housing Authority has a similar arrangement to the school district for officers assigned to its facilities. Various organizations apply to rent meter bags to restrict parking for special events and pay the imputed loss of revenue for the privilege. The forecast assumes that the estimated 2010 revenue stream for public safety-related revenue will remain flat through 2015.

City parking violations revenue is expected to continue to increase in the future as more aggressive enforcement actions take hold. The revenue trend in this area is increasing and the forecast assumes a 6% annual growth rate in this area.

Hotel taxes are levied as a percentage of the total room rate billing. Revenue is a function of the total number of stays and the average room rate. Both factors are expected to increase in the future due to Harrisburg's status as the seat of state government. The forecast estimates an annual 5% increase in revenue from hotel taxes.

## General Fund Expense Analysis for 2011 to 2015

Harrisburg's forecast expenses over the next five years are shown by major category in Table 12.

**TABLE 12: GENERAL FUND EXPENSE FORECAST 2011 TO 2015**

<b>Expense Category</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Personnel Cost	\$42,963,324	\$43,872,820	\$44,732,971	\$45,618,926	\$46,326,425
Operating Cost	\$8,225,083	\$8,478,400	\$8,740,189	\$9,010,749	\$9,290,389
Capital Outlay	\$0	\$0	\$0	\$0	\$0
Subsidies and Grants	\$427,402	\$427,402	\$427,402	\$427,402	\$427,402
Settlement Costs	\$0	\$0	\$0	\$0	\$0
Other	\$363,299	\$363,299	\$363,299	\$363,299	\$363,299
Debt Service	\$10,325,921	\$10,325,921	\$10,325,921	\$10,325,921	\$10,325,921
Total	\$62,305,030	\$63,467,842	\$64,589,782	\$65,746,297	\$66,733,436

Personnel costs include all salaries and benefits for all employees. Wage costs have been calculated to include the increased cost of already negotiated labor agreements as previously noted.

An aspect of the General Fund forecast that is noteworthy is that there is no allocation for capital outlay. Management Partners inquired as to whether an equipment replacement program has been developed and approved. We were informed that such a program has not been instituted in Harrisburg. It is axiomatic that over the life of the forecast that it will be necessary to replace some equipment. Developing a detailed fleet analysis and replacement program is not included in the scope of this project. Consequently, no provision has been included in this scenario for fleet replacements.

## Financial Condition 2010 to 2015

The City's General Fund and debt service fund are inextricably linked. An analysis of these two funds for the period 2010 through 2015 indicates a cumulative deficit slightly in excess of \$164 million. Table 13 summarizes the consolidated financial condition of these two funds over that period of time.

**TABLE 13: GENERAL FUND AND DEBT SERVICE FUND FINANCIAL CONDITION  
SUMMARY 2010 TO 2015**

	<b>2010 Proposed Budget</b>	<b>2011 Forecast</b>	<b>2012 Forecast</b>	<b>2013 Forecast</b>	<b>2014 Forecast</b>	<b>2015 Forecast</b>
G.F. Revenue	\$64,710,369	\$60,628,812	\$60,809,927	\$60,520,698	\$60,829,097	\$61,153,724
G.F. Expense	\$64,710,369	\$62,305,030	\$63,467,842	\$64,589,782	\$65,746,297	\$66,733,436
Annual Deficit	\$0	(\$1,676,218)	(\$2,691,646)	(\$4,137,558)	(\$5,021,460)	(\$5,683,972)
Cumulative G.F. Deficit	\$0	(\$1,676,218)	(\$4,367,864)	(\$8,505,422)	(\$13,526,882)	(\$19,210,854)
D.S Revenue	\$10,992,813	\$10,992,813	\$10,992,813	\$10,992,813	\$10,992,813	\$10,992,813
D.S. Expense	\$79,695,277	\$28,537,439	\$28,658,172	\$27,133,190	\$23,752,745	\$23,048,726
Annual D.S. Deficit	(\$68,702,464)	(\$17,544,626)	(\$17,665,359)	(\$16,140,377)	(\$12,759,932)	(\$12,055,913)
Cumulative D.S. Deficit	(\$68,702,464)	(\$88,247,090)	(\$103,912,449)	(\$120,052,826)	(\$132,812,758)	(\$144,868,671)
Total Annual Deficit	(\$68,702,464)	(\$19,220,844)	(\$20,357,005)	(\$20,277,935)	(\$17,781,392)	(\$17,739,885)
Total Cumulative Deficit	(\$68,702,464)	(\$87,923,308)	(\$108,280,313)	(\$128,558,248)	(\$146,339,640)	(\$164,079,525)

Table 13 indicates that beginning in 2010 and continuing through 2015 Harrisburg faces a deficit in excess of \$164 million in the General and Debt Service funds. As noted, the forecast scenario does not include a provision for replacement of capital equipment. Even a modest average annual replacement program of \$500,000 would add another \$2,500,000 to the forecast deficit.

Eliminating the deficit will require difficult decisions by the Mayor and City Council and the cooperation of other units of government. Management Partners has used the financial forecast model developed as a deliverable in this project to show the impact of different decisions on the projected deficit. Table 14 displays the decisions and financial impacts over the period from 2010 through 2015.

**TABLE 14: ALTERNATIVES FOR ELIMINATING FORECAST DEFICIT**

<b>Alternative Description</b>	<b>Financial Impact</b>
Freeze wages at 2010 level	\$10,579,000
Hold medical insurance cost to 5% annual growth	\$11,787,000
Freeze operating cost at current level	\$3,135,000
Double parking tax rate	\$3,550,000
Increase water rates 20% a year through 2015	\$6,300,000
Increase sewer rates 20% a year through 2015	\$8,700,000
Double sanitation collection fees**	\$13,000,000
Double parking violation fine schedule**	\$7,200,000
Double public safety charges and fees**	\$11,384,000
Double public works charges and fees**	\$11,119,000
Double parks and recreation fees**	\$714,000
Five furlough days a year	\$2,750,000
Increase property taxes by 117% in 2011	\$92,000,000
County approves requested tipping fee	\$65,000,000
Net revenue from long-term lease of parking	\$70,000,000*
Implement management audit recommendations	\$15,000,000 to \$25,000,000
<p>* This option would require a 30% increase in property taxes to replace the \$4.5 million annual transfer of parking revenue to the General Fund.</p> <p>**The detailed operations study included in this report discusses in detail issues relating to the City's charges and fees. Specific changes in charges and fees should be based on a thorough analysis and development of appropriate financial support.</p>	

The items listed in Table 14 are not meant to be exhaustive of the potential approaches to solving the financial condition of Harrisburg. There are, no doubt, additional ideas that should be explored. However, those discussions, explorations and negotiations must proceed apace given the early 2010 demands on resource recovery debt guarantees.

The point illustrated in Table 14 is that there is no single solution that will turn Harrisburg's financial distress into financial stability. A combination of factors must be brought to bear including cost reductions, revenue enhancements, asset management, and intergovernmental cooperation.

One additional consideration that is critical but inestimable is that Management Partners has been informed by the City's bond counsel that the only debt capacity Harrisburg has remaining is for self-liquidating debt i.e., pure revenue bonds. That means that the only capacity the City has for capital improvements such as street and bridge repairs or traffic safety improvements would have to come from annual General Fund revenue, of which, as has been demonstrated, there is none. The only other source for capital investment would be that which becomes available as existing debt is paid down. In any event, achieving complete financial stability would also include development of a sound multi-year capital improvement plan and the financial capacity for implementing the plan.

## A. CITYWIDE ISSUES

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During our review of Harrisburg's departments and operations, we identified several issues that impact individual department operations and also are consistent through the City government. Rather than repeating each issue, we have assembled them in this one section.

The Citywide issues include the following:

- **Fee Recovery.** Our analysis shows that the City does not appear to be recovering costs associated with direct customer services that benefit individual costumers.
- **Employee Wage and Classification.** The City has not updated its wage and classification system, particularly for non-bargaining unit employees for many years. As a result, current wage structures appear to be low relative to other local governments, inconsistent in terms of related responsibilities, and job titles and descriptions are not consistent.
- **City Telephone System.** The City's telephone system has been out of service, except for basic incoming and outgoing calls, for several months. The system appears to be at, or beyond, repair and needs to be replaced.
- **Information Technology Strategic Planning.** Throughout our review of City operations, we observe that there is a void of information technology in many field operations, other functions lack coordinated technology systems, and the City does not appear to have a systematic plan to modernize its technology.

## **Issue A-1: Insufficient Recovery of Direct Service Expenses**

### **Description**

The City does not have a strong fee system throughout the government to support the cost of services that benefit individual residents.

### **Observations and Analysis**

During our review of City operations, we found that virtually every operating department of the City provides some form of direct service that benefits an individual. Examples of these are property inspections, health inspections, parks and recreation activities, and alarm responses. In some cases the City charges a minimal fee; in other cases, the service is provided for free. When the City does charge a fee, there is no documentary evidence that the City has conducted an analysis to determine the true cost of the service or to recover that cost.

It is accepted industry practice that a local government should charge fees for its service, consistent with full cost recovery, for any service that directly benefits a single individual. For example, it is appropriate to pay for general parks maintenance from tax funds since parks maintenance benefits all individuals. However, the use of a specific ball field for an organized league benefits only those individuals who participate in the league. Since those individuals are creating a work demand for their own purposes, it is appropriate that the City charge for that service.

Historically, the City has maintained a policy of broadly providing services to residents through the tax structure, under the philosophy of attempting to assure equal access. However, as local governments have become increasingly stressed fiscally, providing essential public services, such as public safety, has become difficult. Therefore, it has become critical to identify those costs that can be recovered as a result of direct benefit. The City of Harrisburg has reached the point where it is compelled to charge for direct benefit services.

Advantages of a cost recovery system include:

- Increased revenues for the General Fund, both from internal and external sources. Once these fees are adjusted to more closely approximate their costs, the City will have raised its revenue base resulting in this additional revenue accruing every year.
- Greater equity in charges to identifiable service recipients.
- Developing a full cost allocation plan will provide a more comprehensive cost accounting framework for determining the cost of City operations since the plan determines the complete cost of each

administrative service and the appropriate share to be borne by each operating department.

- Better information upon which to design future efforts aimed at improved productivity (i.e., knowing what a service costs is an important prerequisite to doing it more efficiently).

A comprehensive user fee study will contain invaluable management information that may be used as the basis to further analyze certain services. The evaluation of productive time and unallocated time will provide insight about where staff reductions or redeployments might be made or the amount of increased demand for services that could be absorbed before additional staff would be needed.

### **Recommendations**

#### **Recommendation A-1: Conduct a detailed fee study to identify potential fees and to establish the cost basis for a full-cost recovery model for City charges.**

While the City should not necessarily recover the full cost of the gap between direct service costs and charges for those services, the experience of governments conducting full cost recovery studies is that the government typically identifies over \$225,000 in subsidies per 10,000 population. In Harrisburg's case, that would yield an estimated \$1,000,000 to \$1,250,000 per year.

Conducting a neutral fee study is critical in establishing recovery-based fees. Historically, municipal fees challenged in court are rejected if the government is unable to demonstrate that the fees relate to the actual cost of service. A full study provides a ready and effective defense against such challenges and enables a jurisdiction to move forward quickly on fee implementation and recovery.

The City should determine the full cost of services offered by each department for which user fees are currently being charged or *could be charged*. The full cost should then be compared to current revenues to determine the amount of subsidy (or possibly, overcharge). With this knowledge the City can make informed decisions concerning appropriate fee adjustments. However, simply calculating costs is not enough. The City should understand economic issues, such as elasticity of demand, and use a variety of factors in setting fees.

The underlying rationale to charging the full cost for user fees is simply this: a distinct service or product is being provided to a business or individual who is gaining a monetary, emotional, or recreational benefit. Equity says that others who do not participate in that benefit should not subsidize individuals or businesses. For example: Why should a long-term resident living in a central part of the community subsidize the development costs of opening a new subdivision on the edge of the City?

## **Issue A-2: Employee Wage and Classification**

### **Description**

The City's wage and classification system, particularly for non-bargaining unit personnel, is out of date and insufficient.

### **Observations and Analysis**

It is a best practice within the local government industry that cities maintain a wage and classification system for all employees. In many jurisdictions this is done through the collective bargaining system and as a direct human resources management practice for non-bargaining unit personnel.

During our review of the City's current staffing, including organizational alignment and compensation, we observed the following:

- The management pay step table provided to Management Partners is nearly 20 years old.
- Annual reports of management job titles, classification, and compensation for the previous five years showed a consistent pattern of changes each year; these changes did not appear to be reflected in other personnel documents, organization charts, and budgets.
- While the scope of this study did not include a comparative wage analysis with other jurisdictions, our experience with other Pennsylvania local governments and northeastern U.S. cities indicates that management compensation in Harrisburg is below industry standards.
- With the significant change in management personnel, it will be important to attract quality mid-range and upper level managers. A sound, industry-competitive salary and benefit package will enable the City do so.

### **Recommendation**

**Recommendation A-2: Conduct a wage and classification study primarily for non-bargaining unit personnel.**

The estimated cost of the study will be approximately \$10,000 to \$15,000. The benefits include a rationalized compensation plan, an attractive benefits wage plan for prospective management personnel, and the realignment of job descriptions with duties that will change as a result of the City's reorganization and implementation of various recommendations in this report.

## **Issue A-3: Telephone System Replacement**

### **Description**

For the past several months the City's telephone system has been generally inoperative, allowing users only to make incoming and outgoing calls, with no voicemail or other support capacities.

### **Observations and Analysis**

An effective telephone system remains a critical element of efficient and effective City operations and customer service. The inability to use voice-mail and modern office telecommunications systems hinders timely and effective communication and diminishes the ability of customers to gain access in a timely fashion to City staff.

During fieldwork in the City, our project team members observed the following:

- The computer server operating the telephone system has crashed due to age and insufficient maintenance. From interviews and documentary information, the server appears to be beyond effective repair. The City has not replaced the system.
- Absent the server capacity, City departments do not have effective voicemail systems.
- The City's current telephone provider, Verizon, has advised the City that the age and condition of the phone system is such that Verizon is unable to service or maintain the system.
- There does not appear to be any single organization or individual who has accepted "ownership" of the phone system.

### **Recommendations**

Clearly defined responsibility for, and ownership of, the telephone system for all operating units of Harrisburg City government is essential. Since modern phone systems are linked with computer services, often sharing equipment, wiring, and interconnectivity, the appropriate City unit for this responsibility is the Information Technology Bureau.

#### **Recommendation A-3.1: Assign responsibility for all telecommunications systems in the City to the Bureau of Information Technology.**

Modern telecommunications systems, particularly for an organization the size of the City of Harrisburg, are not self-sustaining nor can they be maintained by untrained personnel. The City needs to hire an individual with the training, skill, and background to operate a computer-based telecommunications system. Based on the City's current salary structure,

we estimate that the cost of this position will be approximately \$55,000 to \$60,000 per year, including benefits.

**Recommendation A-3.2: Hire a telephone systems specialist.**

Given Verizon's opinions that the current system cannot be maintained, the City needs to act immediately to replace the current system. Normally, a jurisdiction would conduct an independent telecommunications system study with a vendor-neutral consulting specialist.

However, given the financial constraints, we recommend that the City undertake this initiative using a vendor-based procurement strategy. In this strategy, the City would issue a general request for proposals with instructions that prospective vendors recommend a telecommunications strategy and equipment to meet identified City needs. Prospective vendors would then develop recommended technology solutions and the City would select the one that is most advantageous. It is to be expected that the prospective vendor will seek to recover the cost of the system design either through a direct charge or through operating service fees. Either model would enable the City to proceed with replacement of the system while financing the costs through increments to its monthly fees.

**Recommendation A-3.3: Secure a new telephone system.**

## **Issue A-4: Information Technology Strategic Plan**

### **Description**

The City's current information technology system fails to meet current expectations regarding capability and there is no plan to upgrade or replace the system in the near- or intermediate-term.

### **Observations and Analysis**

Information technology is a force multiplier. That is, the effective deployment of technology systems should enable employees to work smarter and more efficiently. The benefit is that the same number of employees can perform greater quantities of work. Additionally, the use of technology for customer interaction results in greater customer responsiveness and reduces work interruptions. The costs of an effective technology system usually can be recovered in less than five to seven years in terms of real cost efficiencies as well as opportunity cost savings.

During field work in the City, Management Partners' project team members observed the following consistent patterns:

- Use of manual work activity and reporting where computer technology was either not available or perceived by users as being burdensome and/or insufficient.
- Lack of real-time data for management decision making, including both performance reporting and financial reporting.
- User interfaces that were insufficient to meet user expectations or needs.
- Repetitive systems causing multiple work entries, increasing the likelihood of data error.
- Use of home-grown applications that met basic user needs but did not provide meaningful user interface or flexibility.
- Commitment of staffing resources to mainframe support where a server environment is feasible and more cost effective.

### **Recommendation**

A five-year strategic plan will establish the framework by which the City can modernize its technology system, enhance user support and customer relations, reduce costs over time, and replace equipment and applications on a timely schedule.

#### **Recommendation A-4: Develop and implement a five-year information technology strategic plan.**

At a minimum, the plan should address the following:

- Feasibility of replacing the mainframe environment with a network server environment and/or cloud environment.
- Feasibility of replacing the City's outdated mainframe financial system with expanded modules of the SunGard Pentamotion

solution or replacing both with an upgraded, mid-market enterprise resource management (ERM).

- Replacement of the City's police systems with a more robust police management system, including records management and integrated incident management systems, interconnected with the County's dispatch capacity and the courts systems.
- Implementation of a customer relations management system (CRM). The system should be capable of accepting customer calls for service and have an integrated work order management system for field operations, such as public works neighborhood services, utilities, parks and recreation, and buildings and grounds maintenance.
- Integrated document management system.
- Web-enabled customer registration and payment systems.
- Other related applications.
- Sufficiency of support staff, including user help desks and user training.
- Development of an Information Technology Enterprise Fund, financed through user charges.
- Development of an equipment replacement fund for all technology equipment.
- A financing plan and five-year implementation plan.
- An information technology performance plan.

Typically, the cost for a five-year strategic plan for a City the size and complexity of Harrisburg will be between \$85,000 and \$115,000.

## B. ADMINISTRATION

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### Overview of Department

The Department of Administration provides a variety of services that support City executive management and individual department operations. At the time of our field work, one individual served as both the Chief of Staff and the Business Administrator. The department is lead by the Chief of Staff/Business Administrator. The Chief of Staff/Business Administrator performed a dual role as the senior management advisor to the Mayor as well as a City department director.

In the role of senior management advisor to the Mayor, the Chief of Staff oversaw the management and operations of all departments. The Chief of Staff served as the chief negotiator for all union contracts and serves as the Mayor's representative on the City of Harrisburg Police Pension Board. When delegated by the Mayor, the Chief of Staff also serves as the Acting Mayor in the Mayor's absence.

In the role of City department director, the Business Administrator leads the City's Department of Administration. That department is comprised of the Office of the Chief of Staff/Business Administrator and four bureaus.

- **Office of the Chief of Staff/Business Administrator.** This office supports the Chief of Staff and is comprised of a Deputy Chief of Staff/Deputy Administrator and Confidential Secretary. When delegated, the Deputy may serve as the Acting Chief of Staff in the Chief of Staff's absence. Together, the Chief and Deputy Chief of Staff direct the activities of four supporting bureaus.
- **Bureau of Financial Management.** This bureau is responsible for management and oversight of fiscal matters for the City. It is led by the Director of Financial Management who has responsibility for managing all funds, accounting for all assets, producing all financial documents, and the administration of debt service, general expenses and budget transfers among funds. This bureau also assists with administration of the City's three pension plans. The activities of this bureau are conducted through four offices as described below:
  - The Accounting Office manages cash flow, performs accounts payables functions and develops the Comprehensive Annual Financial Report. This office also oversees the City's automated accounting and financial reporting systems with assistance from the Bureau of Information Technology.

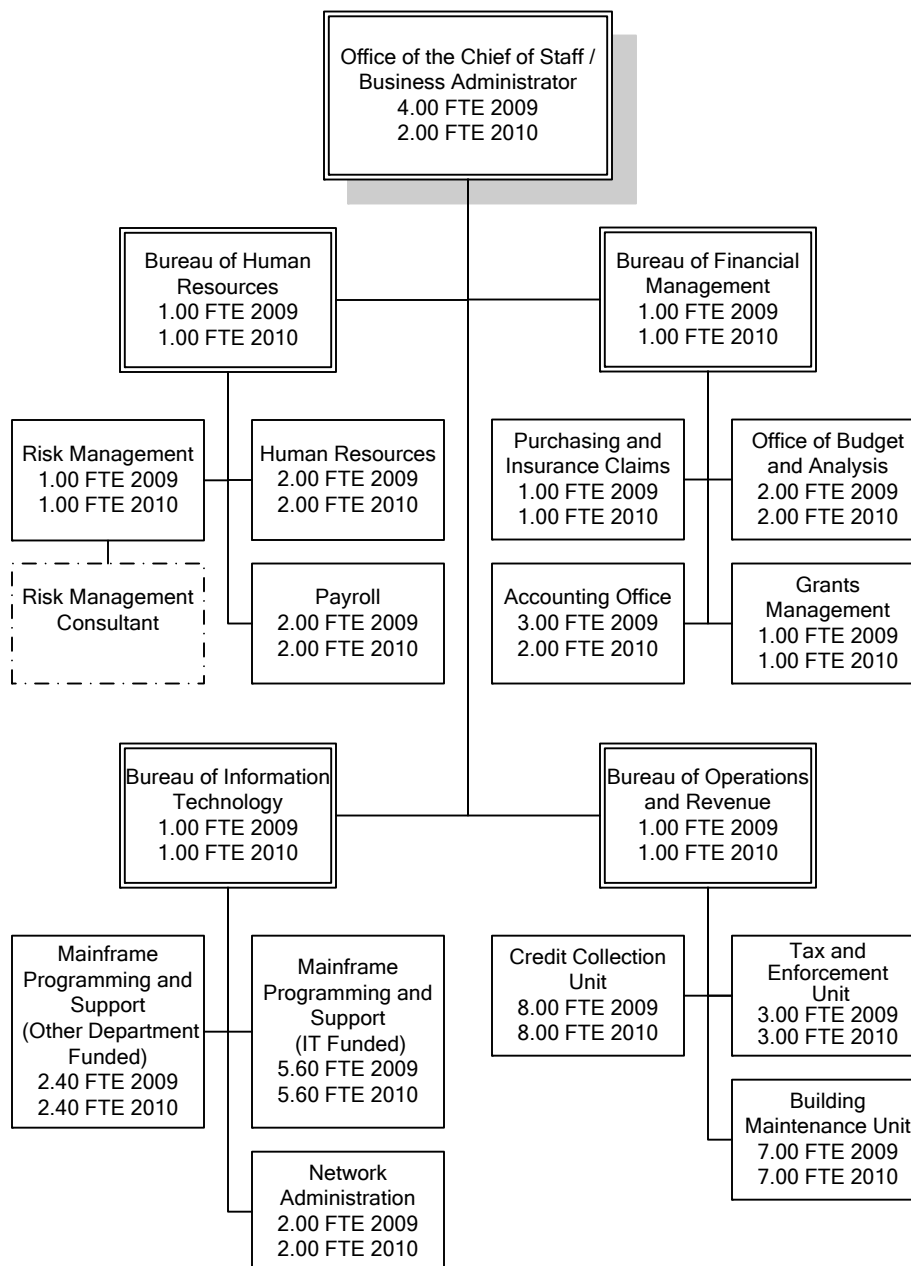
- The Office of Budget and Analysis prepares, develops and distributes the City's annual budget document. The office also prepares and distributes the City's Mid-Year Fiscal Report that presents the financial status of all budgeted funds as of June 30 of the current year compared to the same point in the prior year.
- The Purchasing and Insurance Claims Office has combined duties following City staffing reductions. The Office's purchasing responsibility includes overseeing the procurement of most City materials, supplies and services. The Office also compiles and maintains all purchasing documentation, prepares public bid specifications, and advertises bids and awards contracts in a manner that assures fair and equitable distribution of City contracts and agreements for products and services. The Office has also assumed responsibilities associated with insurance claims management. Working in concert with an outside consultant, this function is responsible for processing insurance claims. Working in tandem with the City Solicitor's Office, this function also manages all litigation cases, processes all insurance claims, and submits those claims for payment to the appropriate insurance companies.
- The Grants Management function is responsible for the development and management of grant resources supporting aspects of City operations. This function is staffed by one Grants Manager position that was transferred from the Police Bureau.
- **Bureau of Human Resources.** This bureau is responsible for supporting the development and management of the City's human resources. This bureau also serves as the primary contact for City managers with questions relating to employee discipline, grievances and labor matters. The bureau is overseen by a Director of Human Resources and is comprised of three primary functions:
  - The Human Resources Administration Division administers a wide range of centralized personnel services for City government. These services can include recruitment, testing, applicant screening, hiring and processing new employees. The division also enforces civil service rules and regulations and administers the promotional process for the Harrisburg Police, Fire and Non-Uniform Civil Service Commission. The division also supports unemployment compensation matters, the exit interview process, management of health care and leave benefits for the City, the worker's compensation program, administration of Family and Medical Leave Act, the Americans with Disabilities Act, and drug and alcohol testing. Division employees also assist the Chief of Staff/Business Administrator and City department directors by developing job descriptions for management and bargaining unit positions. This division is also responsible for oversight and administration of the City's pension benefit program.

- The Payroll Division processes the City's bi-weekly payroll, maintains payroll records and manages federal, state and local tax deductions. It also manages other mandatory payroll deductions and voluntary contributions and is responsible for ensuring that all withholding reporting requirements are met. Scheduled salary increases for bargaining unit employees and merit pay increases based on performance evaluations for management staff are administered through this division.
  - The Risk Management function is staffed with a Human Resources Generalist who works in concert with the Purchasing and Insurance Claims Office in the Bureau of Financial Management as well as an outside consultant. This function is responsible for managing risk, evaluating risk transfer alternatives, acquiring insurance coverage for the City government and managing the worker's compensation self-insured program.
- **Bureau of Information Technology (IT).** This bureau develops and manages the City's information processing capabilities through both the City's mainframe and networked systems. The bureau provides leadership and technical advice through a centralized data processing system that supports the City's administration and business processing needs. IT staff members also provide technical support to City staff members and outside system users through a Help Desk function. Staff members in the bureau's two main functions field telephone and e-mail inquiries regarding the use of networked City resources. The assigned staff also research specific issues and make on-site calls when necessary. The bureau is led by an Acting Director and provides support in two service areas:
  - Business Applications (Mainframe Systems). This team develops and maintains the City's mainframe municipal applications including building permits, code enforcement, planning, zoning, cash receipts, utility billings, property tax billings, mercantile tax billings, accounts receivable, human resources, general ledger and budgeting. The team also supports the METRO Police Information system that includes police dispatching, police reports, citations, warrants, criminal histories, traffic accidents, and parking tickets. This system was developed in-house and also allows suburban, municipal and county agencies to access and use a common database. This team receives funding support through the Bureau of Information Technology budget as well as through other City department budgets as identified in Figure B-1.
  - Network Administration. This team supports more than 1,000 users and 2,000 devices on the City's wide-area and local-area networks. These systems provide City staff with e-mail and Internet capabilities as well as access to specialized applications and networked financial systems. In addition, the network provides municipal and county agencies with access to the METRO Police Information System.

- **Bureau of Operations and Revenue.** This bureau provides a range of billing, collection and other support activities for the City. A director heads the bureau, which is organized into three principle functional areas:
  - The Credit and Collection Unit bills and collects City utility payments. The City provides utility services to residents and businesses as well as to six outlying municipalities including Susquehanna Township, Lower Paxton Township, Swatara Township, Penbrook Borough, Steelton Borough and Paxtang Borough. Services billed include water, sewer and trash services on behalf of the Harrisburg Authority. The Billing and Collection Unit establishes accounts, provides billing information and establishes payment schedules if necessary, and terminates services when there is a chronic payment delinquency. The unit also initiates legal action on the account if collection efforts are not successful.
  - The Tax and Enforcement Unit bills and collects mercantile, business privilege, parking and amusement taxes as well as various license fees on behalf of the City and the Harrisburg School District. This unit also administers the dog licensing program and manages all activities associated with the City's burglar and fire alarm program.
  - The Bureau of Maintenance was merged with the Bureau of Operations and Revenue in 2009 and is now called the Building Maintenance Unit. The unit is responsible for the clean and safe operation of the Rev. Dr. Martin Luther King City Government Center and the McCormick Public Safety Building. The unit also provides support to the Duplication Center, Mail Room, Central Office supply and the telephone system.

The organization chart (Figure B-1) on the following page presents the current organization of the Department of Administration as well as total staffing resource information for 2009 actual and 2010 proposed.

**FIGURE B-1: CURRENT ORGANIZATION OF DEPARTMENT OF ADMINISTRATION**



On the following pages, Management Partners provides summary information on the Department of Administration budget and human resources. Table B-1 provides a summary by type of expense, for each office and bureau for 2001 through 2010. Table B-2 looks back to 2001 from the perspective of full-time equivalent staffing in each of the bureaus/offices in the Department of Administration.

TABLE B-1: DEPARTMENT OF ADMINISTRATION BUDGET SUMMARY

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Department of Administration	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimated	Proposed
Personnel Services	\$ 3,466,927	\$ 3,606,067	\$ 3,814,846	\$ 3,452,873	\$ 3,134,310	\$ 2,998,924	\$ 2,323,386	\$ 2,374,565	\$ 2,185,527	\$ 2,233,422
Operating Expenses	\$ 853,670	\$ 759,120	\$ 787,956	\$ 741,649	\$ 761,210	\$ 485,369	\$ 565,049	\$ 535,189	\$ 1,578,973	\$ 1,624,596
Capital Outlay	\$ 46,568	\$ 560,525	\$ 559,216	\$ 399,934	\$ 260,706	\$ 207,239	\$ 147,821	\$ 128,015	\$ 227,531	\$ 653,634
Grants	\$ -	\$ -	\$ (41)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,000	\$ -
Non-Expenditure Item	\$ -	\$ -	\$ -	\$ -	\$ 3,293	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 4,367,165	\$ 4,925,712	\$ 5,161,977	\$ 4,594,456	\$ 4,159,519	\$ 3,691,532	\$ 3,036,256	\$ 3,037,769	\$ 4,082,031	\$ 4,511,652
Office of the Business Administrator	\$ 183,159	\$ 194,083	\$ 252,360	\$ 254,215	\$ 261,110	\$ 274,562	\$ 213,612	\$ 311,391	\$ 227,963	\$ 176,600
Office of Insurance & Risk Management	\$ 228,865	\$ 189,240	\$ 149,072	\$ 171,910	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bureau of Financial Management	\$ 675,315	\$ 625,712	\$ 724,361	\$ 651,248	\$ 760,435	\$ 769,558	\$ 638,131	\$ 589,915	\$ 614,026	\$ 569,149
Bureau of Information Technology	\$ 1,097,160	\$ 1,676,116	\$ 1,723,505	\$ 1,470,545	\$ 1,227,303	\$ 1,147,204	\$ 1,040,656	\$ 998,064	\$ 1,017,178	\$ 1,351,629
Bureau of Human Resources	\$ 375,403	\$ 372,026	\$ 406,365	\$ 459,046	\$ 640,855	\$ 577,541	\$ 423,960	\$ 432,509	\$ 329,677	\$ 393,788
Mayor's Office for Labor Relations	\$ -	\$ -	\$ 369,427	\$ 179,312	\$ 178,937	\$ 132,219	\$ -	\$ -	\$ -	\$ -
Bureau of Operations & Revenue	\$ 1,807,263	\$ 1,868,535	\$ 1,536,887	\$ 1,408,180	\$ 1,090,879	\$ 790,448	\$ 719,897	\$ 705,890	\$ 1,893,187	\$ 2,020,486
TOTAL	\$ 4,367,165	\$ 4,925,712	\$ 5,161,977	\$ 4,594,456	\$ 4,159,519	\$ 3,691,532	\$ 3,036,256	\$ 3,037,769	\$ 4,082,031	\$ 4,511,652
TOTAL City Expenditures (less Debt Service)	\$ 77,387,224	\$ 85,708,621	\$ 90,278,587	\$ 78,810,860	\$ 87,033,840	\$ 81,544,167	\$ 81,111,213	\$ 83,625,936	\$ 88,745,536	\$ 92,646,995
Department of Administration Expenditures	\$ 4,367,165	\$ 4,925,712	\$ 5,161,977	\$ 4,594,456	\$ 4,159,519	\$ 3,691,532	\$ 3,036,256	\$ 3,037,769	\$ 4,082,031	\$ 4,511,652
As % of TOTAL	5.6%	5.7%	5.7%	5.8%	4.8%	4.5%	3.7%	3.6%	4.6%	4.9%

**TABLE B-2: DEPARTMENT OF ADMINISTRATION STAFFING SUMMARY**

<b>Department of Administration</b>	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Estimated</b>	<b>2010 Proposed</b>
Office of the Director	3.00	3.00	4.00	4.00	3.00	3.00	3.00	3.00	4.00	2.00
Insurance & Risk Management	3.00	3.00	3.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial Management	12.00	12.00	11.00	8.00	10.00	10.00	9.00	9.00	8.00	7.00
Information Technology	17.60	21.60	20.60	12.60	12.60	11.60	9.60	9.60	8.60	8.60
Human Resources	6.00	6.00	7.00	6.00	7.00	7.00	5.00	5.00	6.00	6.00
Mayor's Office for Labor Relations	0.00	0.00	3.00	3.00	2.00	2.00	0.00	0.00	0.00	0.00
Operations & Revenue	34.00	34.00	28.00	16.00	17.00	15.00	14.00	14.00	13.00	20.00
<b>TOTAL</b>	<b>75.60</b>	<b>79.60</b>	<b>76.60</b>	<b>51.60</b>	<b>51.60</b>	<b>48.60</b>	<b>40.60</b>	<b>40.60</b>	<b>39.60</b>	<b>43.60</b>
<b>TOTAL CITY</b>	<b>735.42</b>	<b>713.51</b>	<b>721.16</b>	<b>668.00</b>	<b>662.00</b>	<b>682.50</b>	<b>588.00</b>	<b>578.00</b>	<b>581.00</b>	<b>584.00</b>
<b>Admin as % of Total</b>	<b>10.3%</b>	<b>11.2%</b>	<b>10.6%</b>	<b>7.7%</b>	<b>7.8%</b>	<b>7.1%</b>	<b>6.9%</b>	<b>7.0%</b>	<b>6.8%</b>	<b>7.5%</b>

The City's Department of Administration has been required to adjust and adapt to changing conditions and needs over the last ten years. The department went from a high of almost 79 full-time equivalent positions (FTE) in 2002 and almost \$5.2 million in expenditures in 2003 to a 2009 FTE of less than 40 and just over \$3 million in expenditures.

Significant increases in FTE and expenditures in the 2009-2010 period reflect the transfer of the Bureau of Building Maintenance from the Department of Public Works to the Department of Administration. The general history of this department has been one of reduction, consolidation and absorption of responsibilities by the remaining staff members.

Figure B-2 depicts total City full-time equivalent (FTE) staff levels and the Department of Administration staffing as a percentage of the total. From a high staffing level of more than 11% of the total City staffing in 2002, Department of Administration staffing levels fell to around 6.5% over the last four years and would fall further in 2010 to approximately 6.3% of the total City staffing level in the proposed budget were it not for the transfer of the Building Maintenance responsibility from the Department of Public Works.

**FIGURE B-2: DEPARTMENT OF ADMINISTRATION STAFFING TREND**

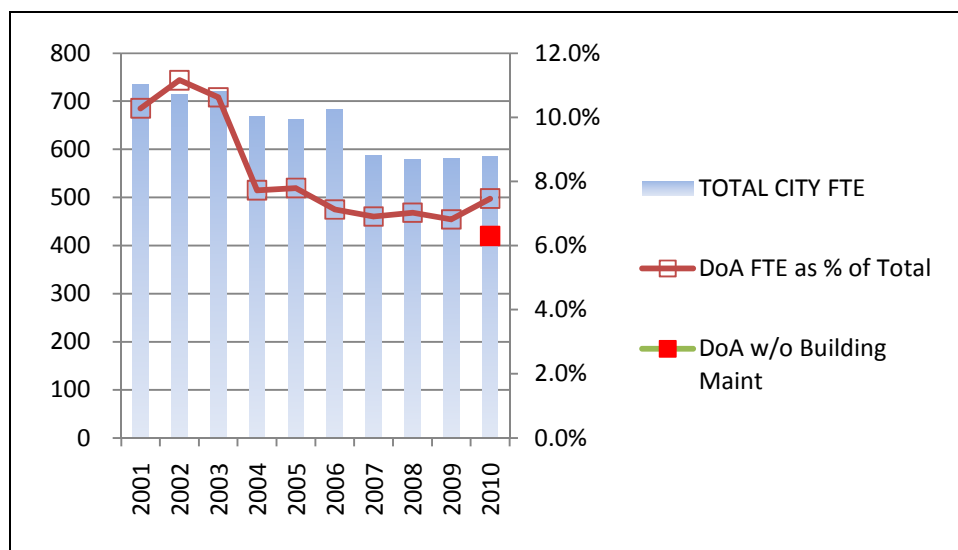


Table B-3 provides additional historical perspective on budgeted resources allocated to the Department of Administration by type of expenditure from 2006 through 2010. The significant increase in 2009 estimated expenditures reflects the transfer of the Building Maintenance function from the Department of Public Works and the significant increase in the 2010 proposed budget reflects an addition \$340,000 budgeted for capital expenditures in Information Technology.

**TABLE B-3: DEPARTMENT OF ADMINISTRATION BUDGET HISTORY**

	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Estimate</b>	<b>2010 Proposed</b>
<b>Department Total</b>	<b>\$3,691,532</b>	<b>\$3,036,256</b>	<b>\$3,037,769</b>	<b>\$4,082,031</b>	<b>\$4,511,652</b>
Personal Services	\$2,998,924	\$2,323,386	\$2,374,565	\$2,185,527	\$2,233,422
Operating Expenses	\$485,369	\$565,049	\$535,189	\$1,578,973	\$1,624,596
Capital Outlay	\$207,239	\$147,821	\$128,015	\$227,531	\$653,634
Grants	\$0	\$0	\$0	\$90,000	\$0\$ -
Non-Expenditure Items	\$0	\$0	\$0	\$0	\$0
<b>Office of the Business Administrator</b>	<b>\$274,562</b>	<b>\$213,612</b>	<b>\$311,391</b>	<b>\$227,963</b>	<b>\$176,600</b>
Personal Services	\$264,033	\$168,795	\$270,854	\$184,600	\$134,563
Operating Expenses	\$10,529	\$44,817	\$40,537	\$43,363	\$42,037
Capital Outlay	\$0	\$0	\$0	\$0	\$0
Grants	\$0	\$0	\$0	\$0	\$0
Non-Expenditure Items	\$0	\$0	\$0	\$0	\$0
<b>Financial Management Bureau</b>	<b>\$769,558</b>	<b>\$638,131</b>	<b>\$589,915</b>	<b>\$614,026</b>	<b>\$569,149</b>
Personal Services	\$569,359	\$428,749	\$394,962	\$331,652	\$371,629
Operating Expenses	\$200,199	\$209,382	\$194,953	\$192,374	\$197,520
Capital Outlay	\$0	\$0	\$0	\$0	\$0
Grants	\$0	\$0	\$0	\$90,000	\$0
Non-Expenditure Items	\$0	\$0	\$0	\$0	\$0
<b>Information Technology Bureau</b>	<b>\$1,147,204</b>	<b>\$1,040,656</b>	<b>\$998,064</b>	<b>\$1,017,178</b>	<b>\$1,351,629</b>
Personal Services	\$804,692	\$690,229	\$682,754	\$564,325	\$574,696
Operating Expenses	\$135,273	\$202,606	\$187,295	\$327,834	\$309,939
Capital Outlay	\$207,239	\$147,821	\$128,015	\$125,019	\$466,994
Grants	\$0	\$0	\$0	\$0	\$0
Non-Expenditure Items	\$0	\$0	\$0	\$0	\$0
<b>Human Resources Bureau</b>	<b>\$577,541</b>	<b>\$423,960</b>	<b>\$432,509</b>	<b>\$329,677</b>	<b>\$393,788</b>
Personal Services	\$492,593	\$352,635	\$363,758	\$259,512	\$313,138
Operating Expenses	\$84,948	\$71,325	\$68,751	\$70,165	\$80,650
Capital Outlay	\$0	\$0	\$0	\$0	\$0
Grants	\$0	\$0	\$0	\$0	\$0
Non-Expenditure Items	\$0	\$0	\$0	\$0	\$0
<b>Operations and Revenue Bureau</b>	<b>\$790,448</b>	<b>\$719,897</b>	<b>\$705,890</b>	<b>\$1,893,187</b>	<b>\$2,020,486</b>
Personal Services	\$756,532	\$682,978	\$662,237	\$845,438	\$839,396
Operating Expenses	\$33,916	\$36,919	\$43,653	\$945,237	\$994,450
Capital Outlay	\$0	\$0	\$0	\$102,512	\$186,640
Grants	\$0	\$0	\$0	\$0	\$0
Non-Expenditure Items	\$0	\$0	\$0	\$0	\$0
<b>Mayor's Office of Labor Relations</b>	<b>\$132,219</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Personal Services	\$111,715	\$0	\$0	\$0	\$0
Operating Expenses	\$20,504	\$0	\$0	\$0	\$0
Capital Outlay	\$0	\$0	\$0	\$0	\$0
Grants	\$0	\$0	\$0	\$0	\$0
Non-Expenditure Items	\$0	\$0	\$0	\$0	\$0

As depicted in Figure B-1 presented earlier, the Bureau of Information Technology actually has 11 FTE assigned to support its activities. The difference between this organizational level and the budgeted level presented in the Staffing Summary reflects the funding of additional IT positions from other sources. One Programmer position is funded 50% by the Water Bureau (0210 account code) and 50% by the Sewer Bureau (2910 account code). One Programmer is funded 100% in Treasurer's Office (0104 account code). The Systems Programmer is funded 60% by the Bureau of Information Technology (0116 account code) and 40% under Treasurer's Office (0104 account code).

## **Issue B-1: Department of Administration Organizational Realignment**

### **Description**

The City of Harrisburg can reduce general overhead expenses associated with providing administrative support services through a reorganization of the Bureau of Financial Management and the Bureau of Human Resources. This would also allow comprehensive consideration of issues associated with payroll, insurance and risk management. The change should also allow the cross-training of certain staff to provide necessary functional coverage while using limited staff resources in a more flexible and cost-effective manner.

### **Observations and Analysis**

The City of Harrisburg faces significant and continuing fiscal stress that will require a restructuring of government services as a solution component. The Department of Administration has been called upon during the last ten years to reduce operating costs and consolidate organizational alignments while continuing to support City operating departments.

Past and current requirements for expenditure reductions in the administrative support areas should include organizational realignment as well as clarification and possible reassignment of duties between and among individual positions. The current staff assignments in certain areas of financial management and human resources present a confusing mix of responsibilities.

An additional opportunity for organizational consolidation with consequent reductions to operating costs would involve structural consolidation of the Bureau of Financial Management and the Bureau of Human Resources into a new Bureau of Administrative Services. This change also provides the opportunity to revise individual assignments to clarify and reinforce responsibility while also providing opportunities in the consolidated function for cross-training and subject-matter support.

Over time, the City has reduced its human resources management capacity and has been unable to maintain consistent employee services at a level consistent with industry standards. A robust human resources system has a positive impact on the quality and cost of public service delivery. This is accomplished by having a workforce that is skilled in what they do and knows that the City recognizes the value of the individual.

### **Recommendation**

The current fiscal situation confronting the City of Harrisburg provides an opportunity to revisit how basic services are provided and the organization supporting those services. Organizational realignment of functions in a consolidated format can provide savings in terms of total

required management resources and supporting staff needs. There may be additional opportunities for organizational improvement as staff members are realigned to aggregate positions that complement each other with functional, technical or process similarities.

**Recommendation B-1.1: Consolidate under one Bureau Director the functions in the Bureaus of Financial Management and Human Resources.**

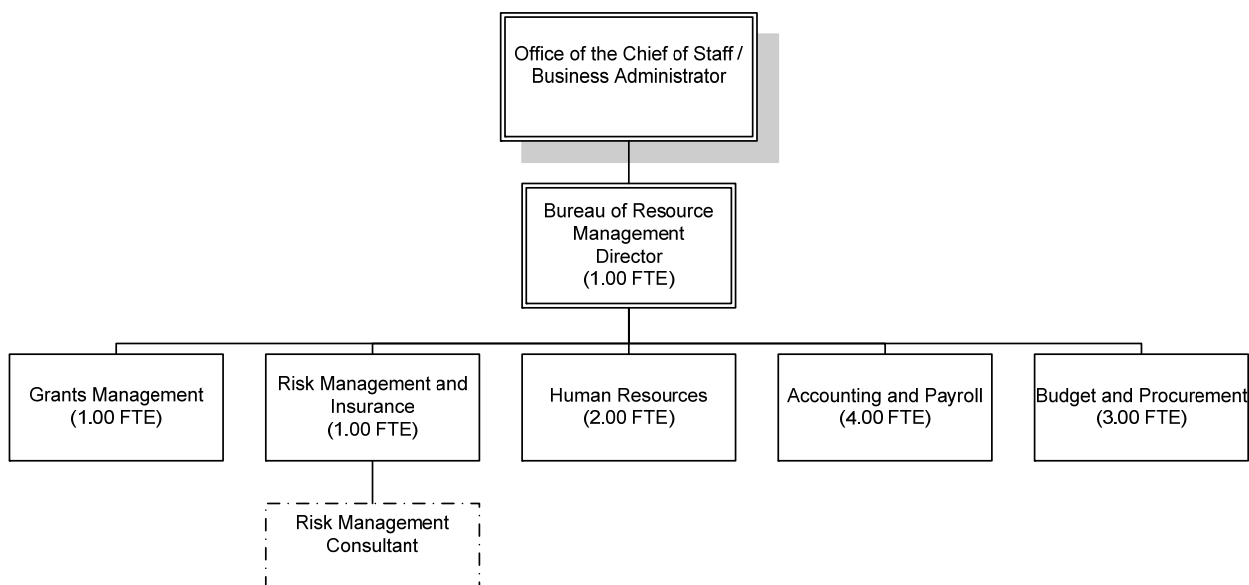
The consolidation of the Bureau of Financial Management with the Bureau of Human Resources will result in both operational improvements as well as operating cost reductions.

The Department of Administration has reduced staffing resources over the last ten years to the point that certain functions such as insurance and risk management have been split between the existing bureaus in order to make use of existing staff experience. The current City fiscal issues will require additional staff reduction and position consolidation.

This fiscal crisis affords an opportunity to reinvent resource planning in the City and consider all operational resources from a more holistic perspective in terms of resource planning, resource allocation and resource performance. A holistic perspective will also better support performance management objectives by linking human resource planning and performance with organizational planning and performance.

Figure B-3 presents a recommended structure that could lead to reduced operating expenditures and improved communication and coordination between human resources and financial resources.

**FIGURE B-3: PROPOSED ORGANIZATION FOR NEW BUREAU OF RESOURCE MANAGEMENT**



The reorganization will allow the elimination of one director position that will yield significant and continuing operating savings. The combined responsibilities will require an incumbent with a strong working knowledge of both public finance and human resource management issues.

The reorganization will allow reconsolidation of insurance and risk management issues under one staff member and one manager. This will improve the development of priorities, management of consultant resources and overall program performance.

Accounting and payroll staff members are combined to recognize the functional similarities of tasks, allow some degree of cross-training and support work effort load sharing during different periods of the month. This organization assumes the elimination of the current Accounting Manager position.

Budget and procurement efforts are combined to acknowledge the subject matter linkages between supplies and services costs and planning for alternative service delivery scenarios in the budgeting function. This aggregation will also support work effort load sharing as these positions focus on set schedules that can be structured to complement one another.

Table B-4 identifies anticipated savings resulting from a consolidation of financial management and human resources management. Based on 2009 salary levels and estimated total benefit impacts, the annual savings to the City would approach \$160,000 in the first full year.

**TABLE B-4: ESTIMATED ANNUAL SAVINGS FROM CONSOLIDATING BUREAUS OF FINANCIAL MANAGEMENT AND HUMAN RESOURCES**

Positions Eliminated	Possible Savings*		
	Salary	Combined Benefits**	TOTAL
Director	\$ (65,000)	\$ (19,500)	\$ (84,500)
Accounting Manager	\$ (56,650)	\$ (16,995)	\$ (73,645)
TOTAL	\$ (121,650)	\$ (36,495)	\$ (158,145)

\* Based on 2009 levels

\*\*Estimated at 30% of salaries

**Recommendation B-1.2: Use the organizational realignment to revitalize and expand the human resources function to meet industry standards.**

An effective human resources management capacity is a critical success factor in any organization. To ensure sound, professional management of City government, the human resource management functions must be carried out in an organized, professional manner, devoid of political interference and/or influence.

Local governments have found that both centralized and decentralized human resources systems can be effective as long as the function has responsibility for maintaining essential standards and has appropriate levels of involvement to assure that those standards are consistently met. At a minimum, an effective human resources management approach should include the following functions, all of which are considered to be critical to effective operational management:

- Uniform policies and procedures;
- Position control;
- Uniform classification structure;
- Consistent compensation philosophy;
- Pay structure that provides pay equity and market competitiveness;
- Uniform hiring/screening processes (to include recruiting);
- Uniform benefits management;
- Effective performance management;
- Centralized personnel records management;
- Employee development and training;
- Effective labor relations; and
- Meaningful employee relations.

Achievement of the functional levels of service described above should be a long term goal of the City. The first two steps in this process are to update the City's wage and classification plan (described earlier in this report) and to employ qualified human resources management professionals as the opportunity arises.

## **Issue B-2: Provide Custodial and Light Maintenance Services through Contract Mechanism**

### **Description**

The City of Harrisburg currently uses full-time City staff members to provide custodial and light maintenance services for City facilities. The City could decrease costs and improve service quality and quantity through competitively bidding these services to a contract vendor.

### **Observations and Analysis**

The custodial and maintenance function was formerly a component of the Bureau of Building Maintenance in the Public Works Department before transfer in July 2009. It now comprises a unit in the Bureau of Operations and Revenue in the Department of Administration. In addition to custodial and maintenance, three full-time employees support the Duplication Center, Mail Room, Central Office Supply and the telephone system.

The custodial function provides the following services:

- Interior/exterior maintenance of Rev. Dr. Martin Luther King, Jr. City Government Center
- Interior/exterior maintenance of Vance McCormick Public Services Center

Table B-5 shows performance measures supplied by City staff through the annual City budget development and presentation process. The workload has remained steady in terms of square footage requirements; the only significant increase in effort is associated with "Non-routine Activities Performed". Based on the presentation, we have assumed these figures to represent estimates of actual performance.

**TABLE B-5: CITY OF HARRISBURG CUSTODIAL SERVICES PERFORMANCE MEASURES**

	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Custodial Services Performance Measure	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Est.	Projected
Office Space Cleaned per Week	110,256	110,256	110,256	110,256	110,256	110,256	110,256	110,256	110,256	110,256
General Maintenance Activities / Repairs Performed	600	550	675	700	720	725	725	800	900	900
Lavatories Cleaned each Day	25	25	25	25	25	25	25	25	25	25
Activities / Special Event Set-ups	70	63	72	67	68	70	70	35	30	30
Non-Routine Activities Performed	450	525	530	500	515	550	550	575	600	600

### **Recommendation**

The City can develop additional operational flexibility and cost savings by contracting the custodial functions currently provided by in-house staff members.

#### **Recommendation B-2: Contract for custodial services to support City operations.**

Using internal staff members to provide custodial services often includes the assumption that outside service providers could not meet the specific needs of the organization to the same degree, mitigating the forecast cost savings from contracting. The industry has responded with flexible contract staff scenarios that leverage the contractor's ability to cost-effectively cover these particular assignments from a larger pool of contract staff. Such contracts now allow for increased scheduling flexibility that match available skill sets to the tasks at hand and therefore, lower total costs.

The table on the following page assesses current level expenditures for custodial and light maintenance expenditures in the City of Harrisburg to derive a cost per square foot (SF). This cost is compared to survey data from a survey of school district custodial and light maintenance costs. School districts have taken the lead in development of comparable statistics related to the maintenance of their significant and distributed physical plants. The median survey data is compared to the experience in Harrisburg to derive an estimated percentage cost savings from moving all custodial and light maintenance services to a contract provider.

Actual experience would be largely dependent on the local market rates for custodial and light maintenance services as well as the government's ability to develop and execute an effective contract for services.

As displayed in Table B-6, we estimate that consistent and comprehensive use of a contract provider for custodial and light maintenance services could result in an approximate 32% savings over current program costs. This could translate into savings of approximately \$170,000 per year.

**TABLE B-6: DERIVATION OF PROJECTED CUSTODIAL SERVICES SAVINGS FROM CONTRACTING**

<b>Custodial and Light Maintenance</b>	<b>Cost Data</b>
Maintenance and Repairs	\$168,500
Professional Services	\$12,000
Rentals	\$1,500
Contracted Services	\$5,600
Supplies	\$152,300
Minor Capital Equipment	\$20,000
Subtotal	\$359,900
Salaries	\$136,947
Fringe (Estimated @ 30% of Salaries)	\$41,084
<b>City of Harrisburg TOTAL</b>	<b>\$537,931</b>
Total Space Maintained (SF)	110,256
\$ Cost per SF	\$4.88
Benchmark Figures*	
Custodial Cost / SF	\$1.73
Maintenance Cost / SF	\$1.58
Combined Cost	\$3.31
<b>Difference</b>	<b>\$ (1.57)</b>
<b>Derived % Savings from Contracting</b>	<b>-32.2%</b>
<b>TOTAL (from above)</b>	<b>\$537,931</b>
<b>Projected Savings from Contracting</b>	<b>\$ (173,113)</b>

\* Based on School District Comparative Study (CGCS 10/2008)  
Council of Great City Schools (top 66 districts in country)

## **Issue B-3: Consolidate Resources Supporting Central Services (Copying/Mail/Central Stores)**

### **Description**

The City of Harrisburg uses three full-time equivalent (FTE) dedicated internal staff members to process incoming/outgoing mail, provide reprographic services and maintain a central stores inventory. The City can reduce operating expenditures by bringing these staff resources in line with the operating experiences of other local governments.

### **Observations and Analysis**

Duties of the duplication staff include the printing and binding of forms and booklets, folding and inserting monthly utility bills with/without inserts, sorting and distribution of all incoming mail, preparation of all outgoing mail, and serves as the central source for all paper and office supplies.

According the Department of Public Works' 2008 Annual Report, during 2008, three duplication staff folded, inserted and mailed 183,394 utility bills, processed 142,355 pieces of outgoing mail and performed 658 printing jobs comprising 1,142,386 copies. The staff also handled an unknown volume of internal interoffice mail.

Based in part on data developed from a comprehensive review of printing and postal operations for the Metropolitan Government of Nashville and Davidson County, Tennessee, the project team notes that Nashville processes approximately 3.6 million pieces of mail per year with six staff members for an activity ratio of approximately 600,000 pieces per staff member. Assuming that Harrisburg staff members split their time between mail and printing, they would apply 1.5 FTE to process approximately 325,000 mail "actions" (bills and outgoing mail) for an activity ratio of approximately 215,000 pieces of mail per staff member.

Nashville also provides reprographic services in various departments. Where staff resources are identified as dedicated for this purpose, we typically found one staff member providing between 1.4 million and 1.8 million copies per year.

### **Recommendations**

The City of Harrisburg can save additional operating funds with no forecast loss in service levels by matching staff resources assigned to the printing, mail and central stores functions.

**Recommendation B-3.1: Reclassify positions associated with mail processing, reprographic services and central stores as a general customer service position to allow flexible use of staff resource in the work unit.**

As staff resources available to the City decrease under current and forecast fiscal pressures, it is imperative that positions be structured to allow appropriate, yet flexible use of their individual capabilities. By creating an analogous version of the existing "Customer Service Representative" position and reclassifying the positions currently providing these services, the City will provide itself with the flexibility necessary to deal with workload fluctuations and deadline pressures. Additional staff members can move in and out of this work unit from other parts of the Department of Administration as needed to meet customer service needs, whether internal or external.

**Recommendation B-3.2: Eliminate one full-time equivalent (FTE) position assigned to the printing/mail stores function.**

Reducing staff resources supporting this function by one FTE will bring staff resources in line with the experiences of other local governments with well-run operations. Table B-7 presents the business case in support of the recommendation, showing either the cost savings of the recommendation or a clear description of what is to be gained by expending additional resources.

**TABLE B-7: ESTIMATED ANNUAL SAVINGS BY REDUCTION OF FTE STAFF RESOURCES ASSOCIATED WITH PRINT, MAIL AND CENTRAL STORES ACTIVITIES**

Positions Eliminated	Possible Savings*		
	Salary	Combined Benefits**	TOTAL
To Be Determined	\$ (36,000)	\$ (10,800)	\$ (46,800)
TOTAL	\$ (36,000)	\$ (10,800)	\$ (46,800)

\*Based on 2009 levels.

\*\* Estimated at 30% of salaries

## **Issue B-4: Implement Biennial Budgeting for Enhanced Planning and Operational Improvement**

### **Description**

The City of Harrisburg can enhance longer-term planning while improving the budgeting process through implementation of a biennial budget development, review and approval process.

### **Observations and Analysis**

The City of Harrisburg currently uses an annual budget development, review and approval process. The existing process has been described by participants as being labor-intensive and yields results that are short-term by design.

A biennial budget approach focuses effort on operational review and forecasting over a longer time period. This has the tendency to shift legislative review from immediate issue of unit cost to longer term issues associated with organizational objectives and performance in meeting those objectives.

In addition, the biennial budget development approach allows the reallocation of executive, management and analyst time from a redundant process to more pressing issue related research and analysis. While there is a required effort to update material for the second of the two-year budget cycle, the level of effort is far diminished from the first year of the cycle.

### **Recommendation**

The City of Harrisburg could derive benefits to its internal planning efforts as well as operational efficiencies associated with planning and resource allocation decisions through the implementation of a biennial budget process.

**Recommendation B-4: Implement a biennial budget process.** The selected approach should blend the two-year planning approach to derive benefits from a longer-term planning focus as well as operational savings from a less-intensive update for the second year that meets Pennsylvania requirements.

The Pennsylvania Code, as most state codes, requires annual appropriations. Jurisdictions that have implemented a biennial budget process meet code requirements for annual appropriations by preparing a budget for two 12-month fiscal or calendar year periods. The budget review process considers and approves both 12-month periods. The first 12-month period is appropriated in accordance with state law.

During the first 12-month period, a narrowly focused budget preparation process is undertaken for the second 12-month period. The focus is only

on changes that need to be made to the second 12-month budget that had been previously approved by the governing body. The governing body considers and approves modifications to the second 12-month budget and then appropriates the second year of the biennial budget in accordance with state law.

Jurisdictions using a “biennial” budget process report a significant labor savings in the time required to prepare the budget. A significant benefit to this approach is that the executive and legislative bodies have used the time savings to concentrate more on performance analysis issues and long-range financial condition analysis. This enhanced planning activity has been beneficial in terms of avoiding problems avoidance and achieving better bond ratings on debt issues.

## **Issue B-5: Lack of Strategic Direction in Grants Management**

### **Description**

There is no strategic framework for identifying and pursuing grant opportunities.

### **Observations and Analysis**

Since March 2009, the City has employed a grants manager. This position is tasked with identifying and applying for grants to enhance service delivery. The nature of this position requires substantial coordination with department directors as well as other staff to ensure that the City pursues grants that will have a positive impact on service delivery.

Due to the recent exodus of department directors and middle management and the lack of a strategic plan to guide grant acquisition, the grant management effort has languished. As a result, the City is missing grant opportunities. Moreover, the staff exodus has meant that some grants that the City has obtained have not been utilized. For example, the City has secured a grant from the Environmental Protection Agency to conduct an energy audit of City Hall and cost saving measures, but has not utilized the funds.

Elsewhere in this report Management Partners has recommended that the City engage in a strategic planning process. This recommendation, coupled with the impending arrival of so many new management personnel presents a unique opportunity for the grant manager to develop a long-term grant acquisition plan. This plan, guided by the City's strategic plan and the organizational needs articulated by department directors will provide a framework for the grant identification and acquisition process.

There is also a need to establish a process for managing grants once they have been awarded. While the grants manager should be responsible for facilitating the grant identification and acquisition process, each department will be required to designate an internal grant coordinator to oversee grant implementation and administration. This individual will be responsible for coordinating with the grants manager as well as the Operations and Revenue Division to manage grant administration and reporting.

### **Recommendations**

**Recommendation B-5.1: Institute quarterly meetings between department directors and the grants manager to discuss departmental needs.**

**Recommendation B5.2: Develop a five-year grant plan to guide the grants manager's efforts to identify and apply for grants.** This plan should be directly linked to the City's strategic plan and departmental needs.

**Recommendation B5.3: Designate an internal grants coordinator in each operating department.**

Implementation will provide a strategic framework for acquiring grants and will improve the likelihood that the City will be able to obtain grants that meet its specific needs. Moreover, by specifically assigning individuals in each department the responsibility to implement grants, the City will be better utilize available funds and eliminate ambiguity about responsibility of grant administration.

## **Issue B-6: Lack of “Bridge” Between Mainframe and Network Financial Programs Requires Multiple Data Entry by City Staff Members**

### **Description**

The City has made considerable investments in a robust mainframe processing environment developed in-house. Over time, some City departments have moved away from mainframe processing to “canned” software that provides packaged processing and reporting capabilities. These off-the-shelf programs typically require some degree of programming to migrate data from the mainframe environment and leverage that earlier development investment in the processing capabilities of the canned systems. The most obvious example of this is the City’s financial management software, SunGard Pentamotion, and the lack of automated connections between the mainframe systems and this software.

### **Observations and Analysis**

The City has invested heavily in the mainframe systems developed in-house that support City operations. These mainframe systems handle most supporting functions including the following:

- Various City Services (D-CIT)
  - Codes
  - Health
  - Inventory / Work Order
  - Mercantile Licensing
  - Dog Licensing
  - Parks & Recreation
  - Property System
  - Purchase Order System
  - Tax Abatement
  - Property Taxes / School Taxes
  - Traffic Services
  - Treasury System
  - Utility System
- Personnel / Human Resources (D-PERS)
  - Employee Records
  - Personnel Action Forms / Budget
  - Risk Management
  - Payroll / Payroll Timesheets
  - Grievances
- Operations and Revenue (D-REV)
  - Customer Service
  - Property Settlement
  - Utility System
  - Water Bureau
  - Collections
- METRO System

- Dispatch
- Crime Reports
- Parking Tickets
- Traffic Services
- Dog Licensing

The Department of Administration/Bureau of Financial Management acquired the SunGard Pentamotion financial processing and support program approximately ten years ago. The City handles all financial reporting and accounting through the Pentamotion system.

At the time of the project field work, there were only limited data links between the mainframe systems and the Pentamotion system. This required the manual reentry of information to Pentamotion at some point and at some level of detail that leads to a financial impact in the mainframe system. While improvements are in progress, this constitutes a large and continuing time requirement on the part of staff members throughout the organization and can lead to errors through the duplicated data entry efforts.

In time, additional software implementation may address some of these issues. For example, the Treasurer's Office is completing installation of a new document management/scanning effort using an automated mail opener, OPEX/OCR Scanner and the MAVRO document imaging software program. This system will link data to both the Treasurer's system in D-CIT and the Pentamotion program.

### **Recommendation**

Given the current and forecast fiscal stress confronting the City and the consequent need to reduce expenditures and staffing levels, the City can no longer afford to sustain multiple data entry of virtually every financial data point.

#### **Recommendation B-6: Contract for IT consulting services to quickly and effectively develop linkages between mainframe financial data and the Pentamotion financial processing program.**

The practical impact of this continuing situation is the approximate doubling of the effort (and associated costs) required to enter and manage City financial and accounting data. While requiring an upfront expenditure, this should be a one-time effort and yield continuing savings in City staff time, allowing for the reallocation of effort to more pressing City issues.

The City should conduct a quick assessment of duplicate data entry incidence in order to prioritize efforts to receive the largest return on this investment as quickly as possible. The effort should prioritize data linkage efforts and incorporate a task schedule to assign direct responsibility and keep the effort moving forward.

## C. OFFICE OF THE CITY CLERK

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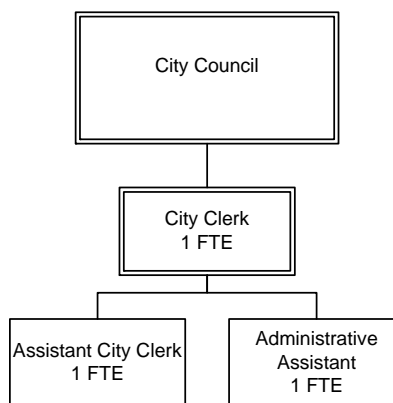
### Overview of Department

The Office of the City Clerk is responsible for maintaining the laws, seal and records of the City of Harrisburg. Under these responsibilities, staff from the Clerk's office maintain records of public meetings, update and codify City ordinances following Council action, and manage the City Council meeting calendar.

The office is staffed with three full-time employees, including the City Clerk, Assistant City Clerk, and an Administrative Assistant. Figure C-1 shows the organization structure.

**FIGURE C-1: OFFICE OF THE CITY CLERK ORGANIZATION STRUCTURE**

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### Observations and Analysis

In addition to its statutory responsibilities to maintain the City's records, the City Clerk's Office has become defacto professional staff to the City Council. The City Council in Harrisburg does not maintain professional staff so the City Clerk's Office completes research for council members and assists with the drafting of ordinances. While it is not common for a city clerk to perform these functions, the evolution of clerk responsibilities in Harrisburg has met an obvious operational need. With that in mind, the Clerk's Office is appropriately staffed to meet its responsibilities.



## D. OFFICE OF THE CITY CONTROLLER

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### Overview of Department

The Office of the City Controller is an independent office established under Pennsylvania Statute to provide financial oversight to municipal corporations. It is headed by an elected Controller empowered to hire professional staff to assist with the office's oversight and internal audit roles.

The office is responsible for the review and approval of all obligations and expenditures of the City. This requires the review of all purchase orders, warrants, contracts and agreements for compliance with the Third Class City Code, other state laws, City of Harrisburg administrative policies and City ordinances. The Controller's signature is legally required on all of these documents.

The office also issues monthly financial reports to the Mayor and City Council that analyze revenues and expenditures for all budgeted funds. In addition, limited ad hoc internal audits and management reviews of City operations are conducted as issues arise.

The organization of the Office of the City Controller is shown below in Figure D-1. This organization has remained unchanged with static staffing levels for the last six years.

**FIGURE D-1: ORGANIZATION OF THE OFFICE OF THE CITY CONTROLLER**

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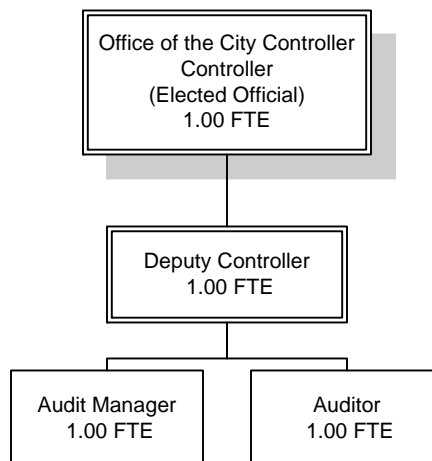


Table D-1 provides recent budget history as well as current estimates and the most recent proposed budget for the Office of the City Controller. Resource requirements have remained relatively static over time; the decrease in budgeted expenditures represents different salary levels associated with individual staff members following turnover in professional positions in the office.

**TABLE D-1: BUDGET HISTORY OF THE OFFICE OF THE CITY CONTROLLER**

	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Estimated</b>	<b>2010 Proposed</b>
<b>Department Total</b>	<b>\$ 232,873</b>	<b>\$ 237,340</b>	<b>\$ 232,797</b>	<b>\$ 198,460</b>	<b>\$184,762</b>
Personal Services	\$ 227,304	\$ 233,068	\$229,088	\$193,360	\$180,312
Operating Expenses	\$5,569	\$4,272	\$3,709	\$5,100	\$4,450
Capital Outlay	\$0	\$0	\$0	\$0	\$0
Grants	\$0	\$0	\$0	\$0	\$0
Non-Expenditure Items	\$0	\$0	\$0	\$0	\$0

## **E. HARRISBURG HUMAN RELATIONS COMMISSION**

### **Overview of Department**

The City of Harrisburg's Human Relations Commission exists to enforce the City's Human Relations and Discrimination Code, which prohibits discrimination in employment, housing, public education, and lending. The commission investigates and attempts to resolve incidents of alleged discrimination on the basis of race, color, religion, ancestry, age (40 and above), sex, national origin, non-job related disability and sexual orientation. It is comprised of nine commissioners appointed by the Mayor.

Table E-1 summarizes the budget history of the Harrisburg Human Relations Commission.

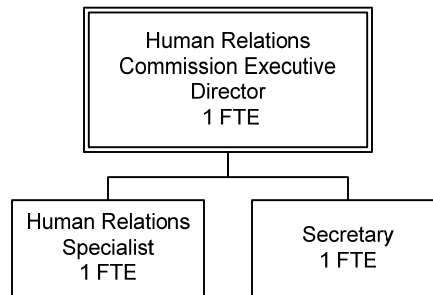
**TABLE E-1: HUMAN RELATIONS COMMISSION BUDGET HISTORY**

<b>Office of the City Solicitor</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Estimated</b>	<b>2010 Proposed</b>
Personal Services	\$133,867	\$137,774	\$126,206	\$130,347	\$136,291
Operating Expenses	\$16,700	\$20,322	\$14,786	\$21,995	\$20,770
Capital Outlay	\$0	\$0	\$0	\$0	\$0
Grants	\$0	\$0	\$0	\$0	\$0
Non-Expenditure Items	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$150,567</b>	<b>\$158,096</b>	<b>\$140,992</b>	<b>\$152,342</b>	<b>\$157,731</b>

The commission is staffed with an Executive Director, a Human Relations Specialist, and one Secretary. Staff are responsible for conducting human relations investigations and arbitrations in accordance with the policies and procedures defined by the Pennsylvania Human Relations Commission. Figure E-1 shows the organizational structure of the office.

**FIGURE E-1: HUMAN RELATIONS COMMISSION ORGANIZATION CHART**

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## **Issue E-1: Human Relations Commission Service Duplication**

### **Description**

The Harrisburg Human Relations Commission provides the same services as the Pennsylvania Human Relations Commission. In fact, the Harrisburg Human Relations Commission has adopted many of the Commonwealth's policies and investigative procedures. The substantive difference between the City and Commonwealth Human Relations Commissions is that the Commonwealth does not yet conduct investigations pertaining to discrimination on the basis of sexual orientation.

### **Observations and Analysis**

As of November 2009, the City's Human Relations Commission had fielded five discrimination complaints for the year. The reason for this low workload is that most discrimination complaints are directed to the Commonwealth. The Commonwealth maintains two offices in Harrisburg and provides the same services as those provided by the City's Human Relations Commission.

Directing discrimination complaints to the Commonwealth and downsizing the City's Human Relations Commission staff function will cut expenditures during a time of fiscal stress while providing the rare benefit of maintaining service levels. The City will still be required to conduct investigations for sexual orientation-based discrimination complaints, but this will not require that a staff of three personnel be maintained. Rather, the responsibility for investigating such complaints can be assigned to a member of the City's executive team, a staff liaison to the Pennsylvania Human Relations Commission, until such time as the Commonwealth includes sexual discrimination in its definition of discrimination. The staff liaison, who would be designated by the Mayor, would also serve as the point of contact in the City for all Human Relations issues and would be responsible for community outreach regarding the proposed change.

There is a clear benefit to better utilizing the Commonwealth's Human Relations Commission and eliminating duplicative services; however, it is important to ensure that discrimination complaints in Harrisburg continue to be viewed with the same priority that they have in the past. The City will need to ensure that the staff liaison maintains a close working relationship with the Commonwealth and that discrimination-related issues affecting Harrisburg residents are effectively addressed.

**Recommendations:**

**Recommendation E-1.1: Eliminate the full-time staff compliment for the City's Human Resources Commission and direct all applicable discrimination complaints to the Pennsylvania Human Relations Commission.**

**Recommendation E-1.2: Designate a member of the City's executive team to serve as staff liaison to the Pennsylvania Human Relations Commission.**

The City's appointed Human Relations Commission will remain intact to hear complaints regarding sexual orientation-based discrimination and will be staffed by a staff liaison to be designated by the Mayor.

Implementation will eliminate duplication of service, cut expenditures by \$157,000 per year, while continuing to ensure that residents have an opportunity to resolve human relations issues.

## **F. OFFICE OF THE CITY SOLICITOR**

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### **Overview of Department**

The City Solicitor's Office is responsible for handling all legal matters affecting the City. This entails providing legal counsel to the Mayor, the City Controller, the City Treasurer, City Council, department heads and members of the City's management team. The Solicitor's Office manages all legal action taken by the City, whether provided by in-house staff or through contractors. In-house staff members primarily assume the following responsibilities:

- Providing legal support for all City bond issuances,
- Drafting City ordinances,
- Prosecuting code violations,
- Managing real estate closings and loan closings on behalf of City departments,
- Drafting and/or reviewing all City contracts,
- Attending meetings of the City Council and its associated committees,
- Providing legal counsel regarding bankruptcies that affect the City (where loan monies were provided through City programs), and
- Providing legal support for labor contract grievances and arbitration

The Solicitor's Office contracts for complex litigation and Workers' Compensation cases due to a lack of staff capacity and limited staff experience managing complex long-term litigation.

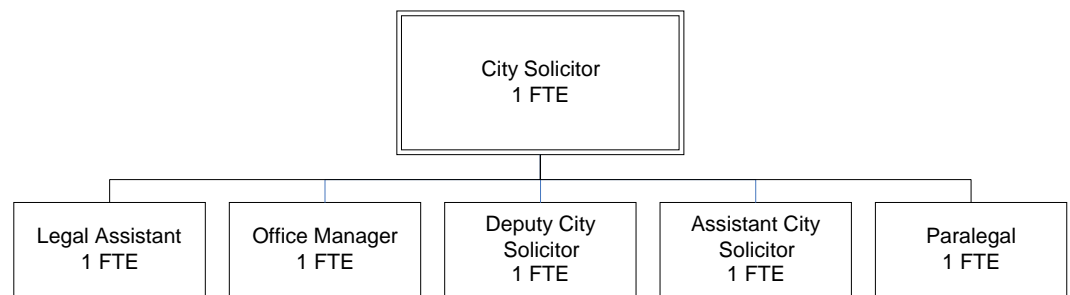
The total 2009 budget for the Solicitor's Office was \$322,466. Table F-1 summarizes the budget history.

**TABLE F-1: OFFICE OF THE CITY SOLICITOR BUDGET HISTORY**

	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Estimated</b>	<b>2010 Proposed</b>
Personal Services	\$332,428	\$305,218	\$311,397	\$220,420	\$303,423
Operating Expenses	\$ 51,072	\$ 27,398	\$ 55,756	\$ 81,683	\$173,350
Capital Outlay	\$0	\$0	\$0	\$0	\$0
Grants	\$0	\$0	\$0	\$0	\$0
Non-Expenditure Items	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$383,500</b>	<b>\$332,616</b>	<b>\$367,153</b>	<b>\$302,103</b>	<b>\$476,773</b>

The Solicitor's Office is staffed with six full-time employees, including the City Solicitor, Deputy City Solicitor, Assistant City Solicitor, Office Manager, Paralegal and Legal Assistant. Figure F-1 shows the organizational structure of the Solicitor's Office.

**FIGURE F-1: OFFICE OF THE CITY SOLICITOR ORGANIZATION CHART**



## Issue F-1: Cost of Contracted Legal Services

### Description

The City Solicitor's Office contracts for a large portion of the department's legal work at considerable annual cost.

### Observations and Analysis

The Solicitor's Office contracts for most complex litigation and Workers' Compensation cases. According to data provided by the Solicitor's Office, the cost for contracted legal services in 2009 exceeded \$570,000. Table F-2 summarizes the contracted legal fees by category.

**TABLE F-2: LEGAL FEES FOR 2009**

Case Category	2009 Expenditure
Litigation	\$489,282
Arbitrations	\$52,140
Workers Compensation	\$31,374
<b>Total</b>	<b>\$572,796</b>

The high cost paid to law firms for legal services in 2009, especially for litigation, reflects the large number of pending cases and the lack of staff experience managing complex litigation. However, there are two options available to the City to decrease the amount of money expended each year for outside counsel. The first option is to aggressively seek settlement of pending litigation. Unfortunately, this would likely require a large up-front expenditure in a tight fiscal environment.

The second option is for the City to hire an additional attorney with litigation experience to help mentor the current staff and build internal capacity. However, the City's salary structure for attorneys is below market, which would impact its ability to attract candidates with sufficient experience. Moreover, given the current fiscal climate in the City, it is not advisable to add additional staff unless a definitive case for cost savings can be made.

The third and most appropriate option is to bring a larger number of cases in-house to be litigated by existing staff. Under this option, there would likely be a learning curve associated with managing more litigation internally. Over time the development of internal capacity will pay dividends. This would be a multi-year process where some of the less complex cases are brought in-house initially, with the goal of reducing contract legal fees by at least 20%. As the City's attorney's gain experience, more complex cases can be managed in-house.

### **Recommendation**

**Recommendation F-1: Reassign select cases from contracted law firms to in-house attorneys with the goal of reducing contracted legal fees by at least 20% in 2010.**

Implementation will reduce legal fees by at least \$100,000 in 2010. In addition, this will improve the internal staff's capacity to manage complex litigation and will afford valuable professional development opportunities.

## **G. OFFICE OF THE CITY TREASURER**

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### **Overview of Department**

The Office of the Treasurer is an independent office established under Pennsylvania statute to provide financial management and treasury services to municipal corporations. The office is headed by an elected Treasurer empowered to hire professional staff to assist with the financial management and treasury functions.

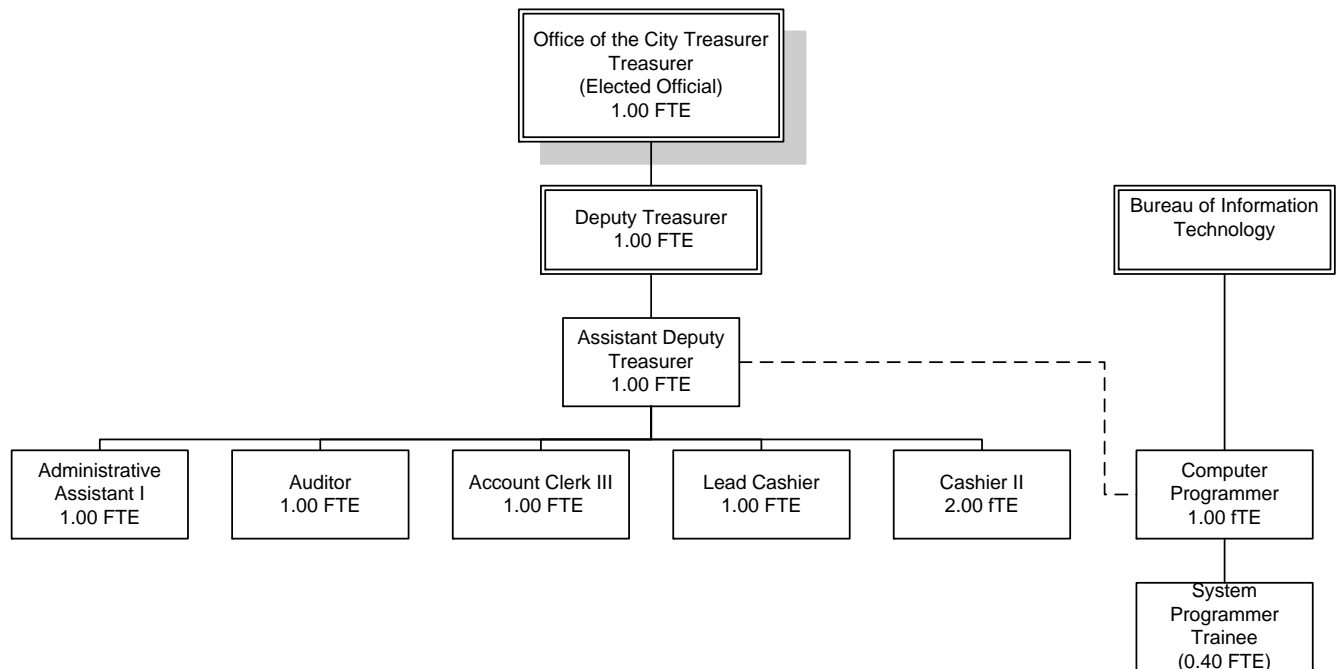
The City Treasurer is responsible for the collection, safekeeping and investment of all City revenues including all fees, fines and taxes. The City Treasurer also serves as the collector for Harrisburg School District taxes. Funds collected are invested using appropriate investment practices that primarily safeguard them while allowing for a reasonable market return on conservative investments.

The Treasurer is responsible for signing all checks for payroll as well as goods and services. The Treasurer is also responsible for coordinating all electronic fund transfers and receipts. The office executes funding transfers for debt service payments on all outstanding City bond and note issues. It also manages all City bank accounts including transfers between accounts and reconciliation of the City's general ledger.

The office monitors City account status electronically on a daily basis. The Treasurer also prepares and distributes monthly reports on City investments, paid invoices, credit card activity and the status of insufficient funds checks to City departments.

Figure G-1 displays the organization of the Office of the City Treasurer. As shown on the organization chart and in the following budget information (Table G-1), in addition to the nine other staff, the office funds one Computer Programmer and a part-time Programmer Trainee (0.40 FTE) that report to the Bureau of Information Technology.

**FIGURE G-1: ORGANIZATION OF THE OFFICE OF THE CITY TREASURER**



**TABLE G-1: BUDGET HISTORY OF THE OFFICE OF THE CITY TREASURER**

	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Estimated</b>	<b>2010 Proposed</b>
	<b>\$ 649,403</b>	<b>\$ 630,173</b>	<b>\$ 580,455</b>	<b>\$ 609,569</b>	<b>\$ 622,648</b>
Personal Services	\$ 554,986	\$ 534,033	\$ 509,260	\$ 472,121	\$ 489,638
Operating Expenses	94,417	96,140	71,195	101,740	91,990
Capital Outlay	\$0	\$0	\$0	35,708	41,020
Grants	\$0	\$0	\$0	\$0	\$0
Non-Expenditure Items	\$0	\$0	\$0	\$0	\$0

## **Issue G-1: Competitively Bid Banking Relationships**

### **Description**

The City of Harrisburg should reassess the scope, intensity and costs associated with its banking services through a competitive bid. This will allow the City to ensure that it is receiving the services that it needs at charges commensurate with the financial services market.

### **Observations and Analysis**

The City of Harrisburg maintains relationships with four banking institutions for account management and treasury services. The primary banking relationship has not been rebid for at least 15 years. The City strives to limit its banking relationships to entities maintaining a local office/presence.

### **Recommendation**

Many changes have taken place in the financial services industry since the City last bid its banking services. It is an established best practice in public finance to rebid banking services about every five years. This allows prospective service providers an opportunity to develop their best range and price of services in competition with other local providers. It is in the City's best interest to regularly reassess banking services for the following reasons:

- To better understand current market dynamics and their impacts on pricing;
- To better understand new product service offerings and how they might improve customer service, safety and liquidity; and
- To provide equitable opportunities for all financial service firms in the community to supply services to the City.

The City has not competitively bid banking services for at least 15 years. It is time to reconsider service providers and their offerings.

### **Recommendation G-1: Conduct a competitive bid process for banking services.**

This recommendation should not be read to suggest that the current primary banking service provider is not providing cost-effective services relative to the market; rather, the point is that the City is not in a position to make a determination either way because it lacks information on the market, services and pricing.

## **Issue G-2: Expand City Service Customer Payment Options**

### **Description**

The City of Harrisburg currently accepts cash, check or money orders for the payment of fees, fines and charges for services. The City has also implemented a direct debit/automated clearing house (ACH) capability in the Treasurer's Office for the payment of taxes and utility bills. However, the City does not accept credit card payments at the counter, over the phone or via secure Internet transaction. By accepting credit cards as a payment option, operating costs will be reduced, customer service will be improved and more effective cash flow will result.

### **Observations and Analysis**

The City of Harrisburg provides a wide range of services for which it receives payment as well as acting as an agent for payment of taxes and utility charges. It is vitally important that these transactions occur as follows:

- In a manner that encourages prompt payment (convenience),
- In a manner that minimizes operational costs (efficiency), and
- In a manner that gets the funds processed quickly with minimal processing errors (effectiveness)

While there may be an upfront processing or transaction fee for the use of a credit card for payment, the improvement in "sales" and payment performance as well as efficient payment processing with minimal operating costs should outweigh the transaction fee.

### **Recommendation**

The City of Harrisburg should expand payment options available to customers of City services to improve overall operating performance of the City.

#### **Recommendation G-2: Modify city procedures to permit acceptance of credit and debit cards for payment for City services**

The City will be challenged in the near future by its current and forecast fiscal issues. It is imperative that fiscal operations work as efficiently and effectively as possible to improve timely payments and cash flow. Use of credit cards as one mechanism for payment can lead to the following process improvements.

- Increase Sales. Industry research indicates that the ability to accept credit cards can increase revenue by as much as 23%. Broadening the scope of payment methods will make services or products more readily available to current and potential customers. A main reason credit cards are so popular is that they are convenient.

- **Improve Cash Flow.** Electronic transaction processing can help speed up the payment process. Instead of waiting for checks to clear, or wait 30, 60, or even 90 days for invoices to be paid, funds resulting from credit and debit card transactions would be deposited directly into the City's accounts, possibly within 48 hours. Electronic payments can enable faster payment cycles, which lead to improved cash flow and decreased billing overhead costs.
- **Improve Staff Productivity.** Credit card processing allows for an automatic transaction flow. Automated acceptance and settlement allows funds from the credit or debit transaction to be directly deposited into the City's accounts. By making the payment process more efficient and less time-consuming, the City can avoid costs associated with notification and collection. The City can instead focus on the other aspects of customer services and delegate payment processing to the bank or transaction processor.
- **Lower Costs.** Accepting credit cards helps streamline operational costs and cuts down on overhead by eliminating the need to send bills and manage account receivables. It is often less expensive to process credit and debit cards than to accept checks. Furthermore, it helps control shrinkage; since the process is automated there is no cash on hand to "walk off" with.
- **Improve Customer Service.** Credit card acceptance helps improve customer service and public perception of the City as an effective and responsive agency.



## **H. MAYOR'S OFFICE OF ECONOMIC DEVELOPMENT**

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### **Overview of Department**

The following section describes the organization and staffing for the former organizational unit titled the Mayor's Office of Economic Development (MOED).

MOED was created during the prior administration. MOED staff was responsible for the promotion and advancement of commercial and industrial development, redevelopment, and business retention and development efforts within the City, as well as projects having Countywide or regional impact. In addition to negotiating economic development projects, employees of the former Office also assisted small businesses in obtaining Minority and Women Owned Business Enterprise certification, and provided business development training and technical assistance to promote retention and sustainability. MOED staff also managed and administered the City's low interest loan programs, and supervised employees of the Harrisburg Broadcast Network (HBN). Harrisburg loan programs include a revolving loan fund, Community Development Block Grant funded loans, and a fund for businesses located within the Baldwin Corridor Enterprise Zone.

The MOED director worked to attract business development to the City by collaborating with local and regional economic development representatives from Dauphin County, the Capital Region Economic Development Corporation, and other departments and bureaus of the State and U.S. government.

The FY 2010 approved budget includes two primary changes to the manner in which economic development is carried out in the City:

- MOED functions, staff and budget were transferred out of the Mayor's Office to the Department of Building and Housing Development; and
- Funding for the director's position was drastically reduced, effectively eliminating the position.

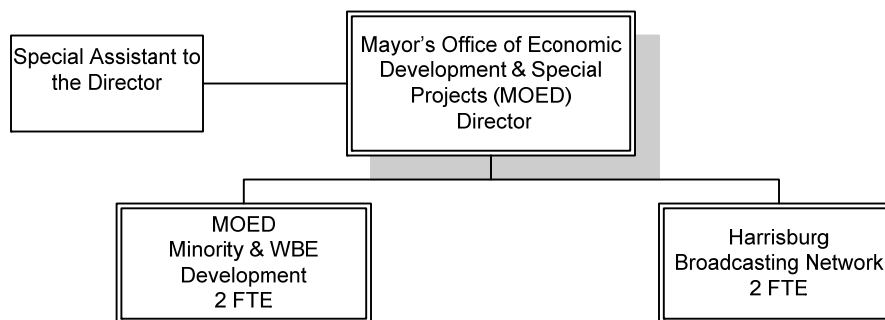
While the former MOED now exists as a Bureau of the Department of Building and Housing Development, the employees have the same responsibilities for economic and small business development and business assistance as those of the former MOED.

As shown in Table H-1, MOED was comprised of six employees. Figure H-1 shows the organization of the Office prior to adoption of the FY2010 budget.

**TABLE H-1: MAYOR'S OFFICE OF ECONOMIC DEVELOPMENT STAFFING TABLE**

Position	FTE
Director	1
Deputy Director	1
Executive Director – HBN	1
Special Assistant to the Director	1
Production Technician – HBN	1
MBE/WBE Development Specialist II	1

**FIGURE H-1: MAYOR'S OFFICE OF ECONOMIC DEVELOPMENT – FORMER ORGANIZATION**



As of December 2009, the office reported granting 66 loans to small businesses, totaling an estimated \$6.9 million. MOED staff was unable to provide the exact amount of outstanding loans. Staff also estimated program income from loan repayments in the range of \$27,000 to \$31,000 monthly. Management Partners was unable to verify information received concerning the types and amounts of loan fund activity originating from the MOED.

Staff also supports the development of tourism, maintenance of the City's Internet and web portals, management of the Central Energy Office bulk energy purchase program, and Keystone Energy Development Corporation.

The FY 2009 General Fund budget for the office totals \$448,401, as shown in Table H-2. The FY 2010 budget for economic development functions is \$335,374.

**TABLE H-2: MAYOR'S OFFICE OF ECONOMIC DEVELOPMENT BUDGET HISTORY**

	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Estimate</b>	<b>2010 Proposed</b>
	\$589,584	\$489,399	\$396,767	\$448,401	\$335,374
Personal Services	\$508,282	\$362,897	\$353,792	\$354,207	\$283,674
Operating Expenses	\$72,484	\$77,888	\$42,861	\$93,600	\$51,100
Capital Outlay	-\$2,508	\$1,114	\$114	\$594	\$600
Grants	\$11,326	\$47,500	\$0	\$0	\$0

## **Issue H-1: Functional Reorganization**

### **Description**

Prior to FY 2010, economic development functions were part of the Mayor's Office and referred to as the Mayor's Office of Economic Development and Special Projects (MOED). The FY 2010 budget recommends a transfer of the positions and budget from the Mayor's Office to the Department of Building and Housing Development.

### **Observations and Analysis**

In the past economic development projects and functions, although related to the operations carried out in the Department of Building and Housing Development, has operated as a separate entity. The office was headed by a director who reported directly to the Mayor, and provided oversight and supervisory responsibilities for an office that functioned as an independent department. Consolidating economic development, building code, and planning functions provides an opportunity to establish a closer link between land use planning and the economic development goals of the City.

### **Recommendations**

**Recommendation H-1.1: Transfer economic development staff and budget to the Department of Building and Housing Development and eliminate the position of director and special assistant to the director.**

Management Partners agrees with the decision to combine economic development with planning, building and housing functions into a single department. The transfer will allow the position of Economic Development Director to be eliminated. While the FY 2010 budget retains the position of director, funding for the position was decreased by 77%. With eradication of the budget for the director's position, there is no need for the position of Special Assistant to the Director.

The resulting number of positions recommended for transfer to the Department of Housing and Building Development includes 2 FTE positions: 1 FTE Deputy Director and 1 FTE MBE/WBE Development Specialist II.

**Recommendation H-1.2: Reclassify the position of Deputy Director to Bureau Director.**

Reclassifying the Deputy Director position to Bureau Director will align the position with the organizational structure of the department. The Bureau Director should be responsible for carrying out business development functions, including technical assistance to business start-ups as well as providing assistance to Minority and Women Business Enterprises.

In the approved FY 2010 budget, funding for the position of Director of MOED was significantly reduced. The FY 2009 MOED director's salary of \$91,800 was reduced to \$20,772, which essentially eliminated the function. With the transfer of economic development functions to the Department of Building and Housing Development (DHBD) the functions associated with the management and oversight of business, commercial and residential development negotiations will fall to the DHBD Director. The FY 2010 budget allocated for the director of DHBD is \$70,000.

**Recommendation H-1.3: Increase funding for the position of Director of Building and Housing Development using budgeted funds from the eliminated position of Economic Development Director.**

The budget for DBHD should be supplemented with the FY 2010 allocation budgeted for the companion position in the former MOED director's position. Doing so will increase funding for the position to a competitive level and thereby allow for recruitment of a candidate with commensurate qualifications to the position.

The FY 2010 proposed budget that should accompany the transfer of positions and responsibility is summarized in Table H-3.

**TABLE H-3: MAYOR'S OFFICE OF ECONOMIC DEVELOPMENT PROPOSED FY 2010 BUDGET**

<b>Department Total</b>	<b>\$170,632</b>
Personal Services	\$118,932
Operating Expenses	\$51,100
Capital Outlay	\$600
Grants	\$0

Concurrent with this change, we recommend transferring the Harrisburg Broadcasting Network staff to the Information Technology Bureau, discussed elsewhere in this report.

## **Issue H-2: Lack of a Comprehensive Economic Development Plan**

### **Description**

Management Partners' analysis found no evidence of a comprehensive plan to guide the Mayor, Council and City staff in carrying out a planned approach to business enterprise and commercial development within the City. Although MOED staff worked closely with the staff in the Mayor's office, the lack of a formal plan precludes a strategic approach to small business development, as well as job creation and retention efforts.

### **Observations and Analysis**

During 2009 the Mayor's Office of Economic Development produced a Harrisburg Economic and Community Profile, which contains information, facts and data about the City and its relative position in the Dauphin County Metropolitan Statistical Area (MSA). The profile also acts as prospectus to business and commercial development interests.

Within the next twelve months, Planning Bureau staff is scheduled to begin an update of the City's comprehensive land use plan. The opportunity exists to creatively combine economic and land development planning efforts and create a strategy that thoughtfully addresses the resources needed to promote business expansion and relocation within the City. This effort should also address transportation, open space, historic preservation, recreation, capital and infrastructure needs and priorities that impacts throughout the City and County.

### **Recommendation**

#### **Recommendation H-2: Create a comprehensive economic development plan for the City.**

In addition to the profile, a clear strategy for stimulating investment, expanding the tax base of the City, creating new jobs and capacity building is needed. Such a plan should strive to integrate local and regional planning efforts and land use initiatives, include development scenarios for key areas and City gateways, and prioritize actions based on local funding requirements and resource availability. The plan should address the maintenance and growth of a stable economic base of jobs within the City taking into consideration past trends and current projections for commercial, retail, office and residential development in conjunction with county and state transportation improvement plans.

## **Issue H-3: Revolving Loan Committee**

### **Description**

The Revolving Loan Committee was established in 1987 to review and process loan applications for funding from the Harrisburg revolving loan fund. The purpose of the Revolving Loan Committee is to assist and advise staff in the loan review process.

### **Observations and Analysis**

The Revolving Loan Committee consists of five members: three members from the business community and two community representatives. Committee members are appointed by the Mayor and confirmed by City Council. The Revolving Loan Committee has been inactive since 2005, due to a lack of member appointments.

In the absence of a functioning loan committee, Economic Development staff has carried out the loan application review and approvals completely in-house. While these actions do not violate any City policies or procedures, the use of a committee to review and approve applications is a best practice. It ensures an independent appraisal of the merits of loan fund applications and prudent oversight of the review and underwriting criteria.

Loans administered by former MOED staff to new businesses required a commitment to create new jobs. The job creation standard used by Harrisburg calls for one new job per \$35,000 of loan funds approved. A companion standard for loans made to existing businesses to retain a specified number of positions is not required.

### **Recommendations**

There are many benefits to having a functioning Revolving Loan Committee that can assist with the review of applications, make recommendations about the manner in which loans are structured and serve as an oversight body for staff underwriting standards. Reactivating the Revolving Loan Committee will involve making appointments to each of the five committee member positions which are currently vacant.

#### **Recommendation H-3.1: Reactivate the Revolving Loan Committee.**

Job retention goals typically call for a loan recipient to secure a job where one currently exists as condition of and during the duration of the loan period. Job retention goals might also be combined with or consist solely as a job retention incentive, granted under certain circumstances. Economic Development staff should research and present several alternatives for job retention standards and incentives for consideration and input of the members of the Revolving Loan Committee prior to forwarding preferred job retention standards and incentives to the Mayor and Council for consideration and approval.

**Recommendation H-3.2: Develop criteria for including job retention goals for inclusion in loan agreements to existing businesses.**

## **Issue H-4: Harrisburg Broadcasting Network**

### **Description**

Currently management of the city's website, along with oversight of two FTE employees of Harrisburg Broadcasting Network (HBN) are programs of the City's former MOED. Responsibility for Citywide website design and maintenance along with oversight of the HBN is improperly located.

### **Observations and Analysis**

The website and Internet responsibilities of the former MOED staff includes overall management of web content, interface with a consultant who acts as a webmaster, review and approval of all material and content prior to posting, management of graphic user interface, and functionality checks. Approximately nine hours per week was dedicated to these functions.

The organizational realignment of economic development functions to the Department of Building and Housing Development provides an opportunity to transfer Internet and cable communications functions to a more appropriate City department in the Harrisburg organizational structure.

### **Recommendations**

Two full-time equivalent positions (an Executive Director and a Production Technician) responsible for staffing the government access channel operations are better suited organizationally to placement in the Bureau of Information Technology. The functions carried out by these employees are better suited the communications work carried out by IT staff. The two FTE should be combined with Network Services staff.

#### **Recommendation H-4.1: Transfer Harrisburg Broadcast Network employees to the Bureau of Information Technology (IT).**

The FY2010 budget to accompany transfer of the HBN is shown in Table H-4.

**TABLE H-4: HARRISBURG BUSINESS NETWORK FY2010 BUDGET**

Executive Director	\$56,593
HBN Production Tech	\$31,200
FICA	\$6,720
Total	\$94,513

#### **Recommendation H-4.2: Transfer management of the City website and the web-hosting budget to Information Technology.**

In conjunction with this recommendation, IT should consider developing an Internet coordinating committee of department representatives who would work with IT staff on issues of content development, website design and a schedule and procedure for completing updates to City web pages and content.

## **Issue H-6: Southern Gateway Project**

### **Description**

The Southern Gateway Intermodal Public-Private Partnership is a project initiated by the departments of Building, Housing and Development and the City Engineer. A Federal Transportation Investment Generating Economic Recovery (TIGER) grant application has been submitted for the project in the amount of \$100,000,000 from Title 23 (transportation improvement) funds.

### **Observations and Analysis**

The Southern Gateway has been designated as an important area for expanding the Harrisburg downtown commercial corridor. It is an area that is well-suited to generating increased economic development, job creation and commercial service opportunities. As planned, the Southern Gateway Project will improve traffic and pedestrian safety; stimulate the local and regional economy by creating an estimated 6,500 new jobs locally; and fund needed infrastructure repairs to bridges, interstate ramps and street networks within a site just south of the current Harrisburg downtown.

The project application was developed and submitted jointly by the Director of the Building, Housing and Development and the City Engineer, both of whom are no longer employees of the City. The acting Director of Building, Housing and Development is in the process of updating herself on the status of the project and the TIGER grant application. The corresponding position of City Engineer has been vacant since early 2009. There is not an appropriate professional engineer in the City administration to appoint in an acting capacity.

The TIGER grant request is just one piece of a multi-million dollar funding request to essentially double the size of the Harrisburg central business district. At present there are no senior management level project director(s) assigned to oversee the day-to-day responsibilities associated with management and oversight of this high profile project.

### **Recommendation**

#### **Recommendation H-5: Assign a City management team to oversee management of the Southern Gateway project and funding request.**

The City's business administrator, acting Director of Building, Housing and Development and other appropriate internal staff should be tasked with meeting regularly to assess the project and application funding status for the project. Expertise, such as a professional engineer, that may not currently exist among City staff should be hired on an as-needed contractual basis to address issues related to advancing the funding request or project status.



## **I. BUILDING AND HOUSING DEVELOPMENT**

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### **Overview of Department**

The Department of Building and Housing Development (DBHD) is responsible for land use and development, enforcement of building codes, property maintenance, and operation of neighborhood renewal programs. Primary objectives of the department include the preservation of housing stock, the creation of opportunities for home ownership and new development, and the promotion of the physical, economic and social welfare of Harrisburg residents.

The mission of the department is:

*To enhance the quality of life in Harrisburg through the development of strong neighborhoods, the creation of a visible difference in the appearance of the city and support for the growth and vitality of our economic and community base.*

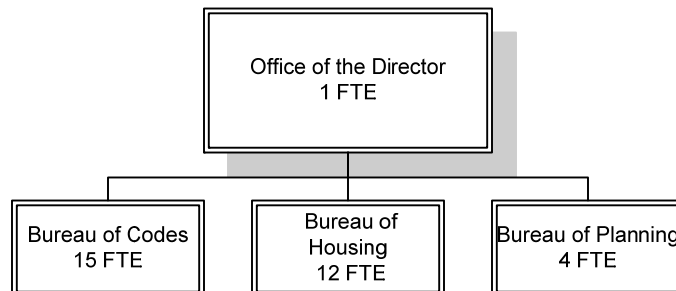
Six goals support the Building and Housing Development mission.

- A well balanced community through effective planning
- Visible, safe, and attractive neighborhoods
- Quality housing and building activities
- Courteous and responsive customer service
- A healthy environment for businesses, employees, residents, and tourists
- Increase the population; the percentage of home owners; and the percentage of safe, accessible, occupied business and residential properties

DBHD has three bureaus: codes, housing, and planning. These bureaus work independently and jointly to conduct building, codes, housing and planning functions. DBHD has a total of 31 full-time equivalent (FTE) employees and a 2009 General Fund operating budget of \$965,955. Housing and neighborhood revitalization activities conducted by staff of the Housing Bureau are funded through the use of Federal Funds. The office of the Director is comprised of 1 FTE who oversees the work of staff in the three bureaus.

Organizational reporting relationships and staffing totals are shown in Figure I-1 below.

**FIGURE I-1: DEPARTMENT OF BUILDING AND HOUSING DEVELOPMENT ORGANIZATION CHART**



The budget history for the Codes and Planning Bureaus is provided in Table I-1. The budget history for the Bureau of Housing is provided in Table I-5.

**TABLE I-1: DEPARTMENT OF BUILDING AND HOUSING DEVELOPMENT BUDGET HISTORY**

	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Estimate</b>	<b>2010 Proposed</b>
<b>Department Total</b>	1,199,108	1,024,710	1,159,583	965,955	901,029
Personal Services	1,030,797	857,723	1,000,100	803,083	817,704
Operating Expenses	71,911	79,645	61,895	80,938	83,325
Non-Expenditure Items	96,400	87,342	97,588	81,934	0
<b>Office of the Director</b>	96,400	87,432	97,588	81,934	77,280
Personal Services	95,295	76,816	97,588	80,770	75,355
Operating Expenses	1,105	10,616	0	1,164	1,925
<b>Bureau of Codes</b>	810,731	740,482	751,354	598,838	612,507
Personal Services	757,522	683,718	704,991	537,352	555,407
Operating Expenses	53,209	56,764	46,363	61,486	57,100
<b>Bureau of Planning</b>	195,577	109,454	213,053	203,249	211,242
Personal Services	177,980	97,189	197,521	184,961	186,942
Operating Expenses	17,597	12,265	15,532	18,288	24,300

## Bureau of Planning

The Bureau of Planning reviews development proposals to ensure that plans are consistent with the City's Comprehensive Plan, zoning and subdivision regulations. The bureau provides staff support to three citizen boards: the Harrisburg Planning Commission, the Harrisburg Zoning Hearing Board, and the Harrisburg Architectural Review Board.

The bureau has of 4 FTE, as shown in Table I-2.

**TABLE I-2: BUREAU OF PLANNING STAFFING**

Position	FTE
Deputy Director for Planning	1
Zoning Officer*	1
Urban Planner	2

\*Position supported by General Fund and Water and Sewer funds

## Bureau of Codes

The Bureau of Codes enforces the Pennsylvania building code and floodplain ordinances, local property maintenance standards and health codes to ensure safe living and working conditions for Harrisburg residents and businesses. Code Enforcement Officers conduct electrical, building construction, and plumbing inspections of residential and non-residential uses, investigate complaints related to interior and exterior maintenance and structural condition, and work with property owners to correct property violations. The Health Officer inspects restaurants, food services and vendors and also investigates complaints related to lead based paint hazards. Code inspectors are also responsible for periodic inspections of rental properties and residential properties prior to sale.

The Bureau of Codes has 15 FTE, as shown in Table I-3. Three positions are currently vacant: 2 FTE Code Enforcement Officer I positions and the Administrative Assistant I position.

**TABLE I-3: BUREAU OF CODES STAFFING**

<b>Position</b>	<b>FTE</b>
Deputy Director for Codes	1
Assistant Codes Administrator	1
Health Officer	1
Codes Enforcement Officer IV	3
Codes Enforcement Officer III	1
Plumbing Inspector I	1
Codes Enforcement Officer I	3
Administrative Assistant II	1
Administrative Assistant I*	1
Secretary II	1
Clerk Typist/Data entry Operator	1

\*Position not funded out of the General Fund

## Bureau of Housing

The Bureau of Housing is responsible for the administration of federal funds received through Community Development Block Grant, HOME and Emergency Shelter Grant (ESG) programs for housing and community development and revitalization in Harrisburg neighborhoods. Through the implementation of the Consolidated Plan, the bureau and partner organizations focus on providing quality homeownership opportunities, stabilizing neighborhoods and property values through homeownership and assisting existing homeowners with code-related improvements to sustain owner occupancy and neighborhood stability.

The Bureau of Housing has 12 FTE, as shown in Table I-4.

**TABLE I-4: BUREAU OF HOUSING STAFFING**

<b>Position</b>	<b>FTE</b>
Deputy Director for Housing	1
Project Director	2
Project Manager	3
Project Officer	1
Grants Officer	1
Rehabilitation Specialist	2
Administrative Assistant	2

The Bureau of Housing is fully funded with Community Development Block Grant funds. A budget summary for housing operations is included as Table I-5.

**TABLE I-5: HOUSING BUREAU BUDGET HISTORY**

	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Estimate</b>	<b>2010 Proposed*</b>
Personal Services	\$524,725.96	\$509,896.98	\$482,912.61	\$414,749.65	\$456,343.36	N/A
Operating Expenses	\$242,455.06	\$295,296.35	\$233,800.98	\$264,364.19	\$358,096.11	N/A
Grants	\$512,479	\$390,000	\$402,800	\$433,933	\$753,338	N/A
Non-Expenditure Items	\$40,141	\$40,141	\$92,621	\$92,621	\$92,621	N/A
Emergency Shelter Grant	\$92,792	\$92,792	\$92,838	\$92,838	\$92,838	N/A

\* The 2010 CDBG entitlement year begins October 1, proposed budget data is not currently available.

## Issue I-1: Functional Reorganization

### Description

Previously the functions of planning, code enforcement and economic development were carried out in a manner that was less than optimal. Land use and permitting, property maintenance and neighborhood development functions were carried out in the Department of Building and Housing Development. Economic development functions, including assistance to businesses, and the administration of a revolving loan fund were carried out as a program of the Mayor's Office.

### Observations and Analysis

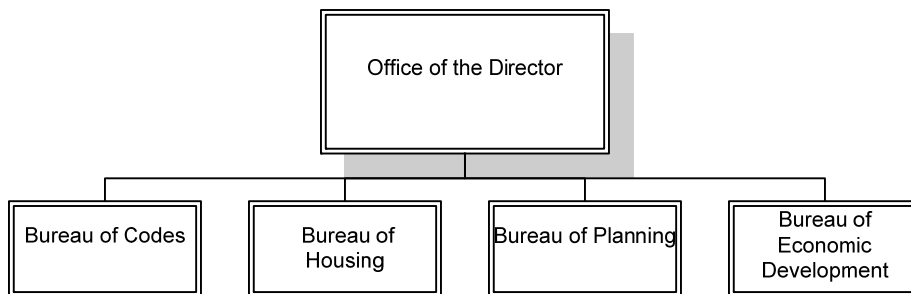
The FY 2010 approved budget includes a reorganization that combines planning and economic development functions. Specifically, the former Mayor's Office of Economic Development has been transferred to Building and Housing Development. The new Bureau of Economic Development will foster a comprehensive approach that thoughtfully integrates land use and development functions. It is appropriate to rename the department to better reflect its new responsibilities.

### Recommendation

**Recommendation I-1: Rename the combined organization the Department of Community and Economic Development.**

The new name accurately reflects the functions of the department. As Figure I-2 shows, the new department has four bureaus. Each of the four bureaus: planning, economic development, housing and codes administration has an integral role in promoting and advancing business development and retention, as well as neighborhood growth and sustainability. The recommended department title acknowledges the connectedness of these functional roles within the City organization. The Director of Community and Economic Development should continue to communicate closely with the Mayor about issues related to significant commercial development initiatives and as well as business growth and the overall economic viability of the City.

**FIGURE I-2 – DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT ORGANIZATION CHART**



## **Issue I –2: Lead Hazard Control Grant**

### **Description**

The City of Harrisburg receives Community Development Block Grant HOME Investment Partnership funds to implement the Lead Hazard Control program. The grants are available to address lead paint hazards in the City's supply of residential housing stock. A portion of the funds can also be used as part of public education and awareness efforts.

### **Observations and Analysis**

The 2007 to 2010 Consolidated Plan for the City's use of federal funds included a lead hazard grant goal of 140 units. At the time of Management Partners' analysis the following unit data associated with the Lead Hazard Control program was reported:

- Units Completed – 38
- Units In Process – 38

Owners of private single and multi-family properties can apply for grants to remediate conditions determined to have lead paint hazards. Grants administered by the Housing Bureau are available for up to \$8,000 per unit. Housing Bureau staff reported that outreach and lack of information about the program is a primary reason that only half (54%) of the stated number of units to be completed by September 30, 2010 are now complete. Developing an aggressive plan of education and outreach will assist Housing Bureau staff in meeting the five-year lead abatement goal.

### **Recommendation**

Developing a plan to quickly achieve higher visibility and outreach will assist Housing staff in informing individuals about potential lead hazards in older homes and the availability of funding. The public education plan should incorporate the use of the HBN with regularly scheduled programming on the dangers of lead hazards in homes constructed before 1979. Education efforts should also address the steps involved in the application process, as well as an estimate of out-of-pocket funds, if any, required by property owners.

**Recommendation I-2: Develop a plan for meeting the Lead Hazard Control program goal by the end of the current Federal Fiscal Year (September 30, 2010).**

## **Issue I-3: Zoning Code Review**

### **Description**

A major project of the bureau involves an update of the Harrisburg Zoning Code. A redraft of the zoning code is being completed by City staff without the assistance of a zoning consultant. The proposed draft code reduces the number of base zoning districts in Harrisburg from 29 to 12, and reduces the number of overlay zoning districts from six to three. The three remaining overlays to the base zoning include floodplain management areas, historic districts, and the architectural overlay district. The revisions to the zoning code are intended to simplify development and rehabilitation efforts in the City. During the first quarter of 2010 staff of the Planning Bureau will be conducting public information sessions to review the provisions of the draft code. Public hearings of the draft zoning code by the Planning Commission by are scheduled to begin in March 2010. City Council Public hearings are planned for May with approval of a new zoning code by June 2010.

### **Observations and Analysis**

Development of the draft zoning code has occurred solely within the Planning Bureau. In the past few weeks the draft zoning code has been uploaded to the City's website for review prior to scheduled public information sessions beginning in January 2010. Although Planning Bureau staff intends to conduct public information sessions in several locations throughout the City other than the Planning Commission, there is no representative citizens' body to assist Planning staff in the ongoing review and revision process that will occur until the document is approved by the Planning Commission and City Council.

### **Recommendation**

Management Partners recommends a best practice approach to assist with public review of the draft zoning document.

#### **Recommendation I-3: Appoint a citizens zoning code review panel to assist Planning Bureau staff in vetting and reviewing the draft code.**

While public reviews are useful, a best practice is to formally appoint a representative body of community and business representatives to assist with the review. Community panels provide a perspective that is both knowledge- and experience-based. Although typically, a citizen panel would be appointed and formed at the start of an effort such as this, forming a group to assist with reviewing the draft is highly recommended. In addition to working with staff to identify and discuss recommended changes and improvements to the draft regulations, group members should also have a role in introducing the code revisions to the broader community.

## Issue I-4: Rental Housing Inspections

### **Description**

Codes Bureau staff have set a goal of completing inspections of all rental housing units every three years. According to the 2000 U.S. Census, there were 11,858 rental units in Harrisburg, which comprise 57.7% of the total housing stock. This would result in an average of 3,667 rental unit inspections per year. Based on 2008 data, the total number of completed rental housing inspections totaled 576 units or 7% of the total workload for the year, and 15.7% of the units that were scheduled for annual inspection.

The 2008 annual workload for the Codes Bureau totaled 8,154 inspection cases as summarized in Table I-6.

**TABLE I-6: INSPECTIONS BY TYPE IN 2008**

<b>Inspection Type</b>	<b>Number</b>
Buyer Notification (units)	2,510
Rental Inspection (units)	576
Progressive Inspections	1,148
Concentrated Inspections	758
Re-Inspections (Buyer and Rental inspections)	1,781
Other Inspections	17
Property Maintenance Inspections	1,364
Total Workload	8,154

### **Observations and Analysis**

The inability to meet the department rental inspection goal is due in part to the manner that work is assigned to codes inspectors. The Deputy Director for the Bureau of Codes is responsible for making daily assignments to inspections staff for the four sections of the City (uptown, midtown, Allison Hill and eastern).

Inspectors create their own daily schedules, which can include any combination of the inspection types listed in Table I-6 above. Based on the 2008 workload, buyer notification and rental property inspections, along with associated re-inspections accounted for 59.7% of the work activity carried out by the inspection crew. It is likely that a portion of the units inspected as part of the buyer notification program were rental units since the majority of the total units Citywide fall in this category. A breakdown of the buyer notification inspections by unit type was not available.

Due to the large number of rental units in the City, a plan for ensuring that these units meet building and property maintenance code standards should be a priority work function.

**Recommendation**

Due to the large number of rental units in the City a system of periodic inspections is needed to maintain a minimum quality standard as determined by the Pennsylvania housing code.

**Recommendation I-4: Establish an annual plan of work for completing rental unit inspections equal to one-third of the total units.**

Prioritizing the inspection of rental units requires establishing a daily target for inspections and a data tracking system for determining weekly performance. Each inspector should be assigned a minimum number of rental inspections for completion each day. Depending on department and City priorities, additional units could be assigned for inspection.

## **Issue I-5: Inspection Workload**

### **Description**

Based on data obtained for the DHBD annual report and monthly activity/progress reports, the 2008 inspection workload totaled 8,154 inspections. Inspection activity is either programmed by the deputy director of the Codes Bureau or received as work order requests that originate from the general public, the Police or other City Departments. Inspections are assigned each day by the deputy director and are carried out by five FTE Code Enforcement Officers and one FTE Plumbing Inspector; although there are a total of seven FTE inspectors listed on the table of organization, two Code Enforcement Officer I positions are vacant.

### **Observations and Analysis**

The 2008 average daily workload per inspector based on fifty weeks of work equals an average of 6 inspections per day. The industry standard for building related inspections ranges from 11 to 15 per day.

Codes Bureau staff indicates that the average time associated with a building or property maintenance or rental inspections can range from 45 minutes to 1 hour, inclusive of travel time and time to complete inspection reports. Applying an average time of 52 minutes per inspection to the average number of inspections completed each day results in daily inspection activities that would consume approximately five hours of one inspectors time each day.

Associated with inspection activity is the need to conduct follow up on the status of inspections with violations and other issues of non-compliance, in addition to related call-back activities associated with open inspections and inspection requests. Additionally, approximately one hour per month per inspector is associated with court related property maintenance hearings.

The current inspection workload is not managed to maximize productivity. Based on analysis of the 2008 inspection data and the industry standard the number of inspectors exceeds the current Bureau of Codes workload.

### **Recommendation I-5: Reduce the number of Code Enforcement Officer positions from seven to three positions.**

Efficiencies in the Codes Bureau can be attained by adjusting staffing levels to meet current workload. Of the seven Code Enforcement Officer positions, three are entry level positions, and two of the entry level positions are vacant. Reducing the complement of code enforcement officers maintains a staffing capacity appropriate to addressing the 2008 inspection demand, based on an average of 11 inspections per days per inspector.

## **Issue I-6: Re-inspection Fee for Buyer Notification and Annual Rental Inspections**

### **Description**

Codes Bureau inspectors conducted 1,781 re-inspections associated with rental examinations (as shown in Table I-6). These re-inspections occur at the request of the applicant or occupant and are conducted without a fee charged.

### **Observations and Analysis**

The current average revenue generated from rental and buyer notification inspections completed by Harrisburg Codes Bureau staff is approximately \$39.00 per unit. As a best practice it is acceptable to assign full cost recovery for re-inspections to cover the time taken away from other code and property maintenance priorities.

Re-inspection fees are typically charged beginning with the third and subsequent inspections. In addition to being based on full cost recovery, re-inspection fees should be graduated such that inspections after the third site visit include significant penalties that will serve to persuade applicant to achieve inspection compliance by the third site review.

### **Recommendation**

**Recommendation I-6: Implement a new policy to charge a per unit fee for re-inspections.**

Management Partners recommends a re-inspection fee beginning with the third site visit made by the Harrisburg Code Enforcement and Health Officers. Re-inspection fees should be mandatory and remitted prior to the inspection. A common approach is to set a standard progressive fee structure that would apply to any re-inspection, regardless of the type. Fees for additional inspections would increase with each extra required inspection. Another approach would be to establish a set re-inspection fee for third and subsequent site visits for each type of inspection (rental, single, multi-family units) carried out by Codes Bureau staff.

For example, an across the board \$75 re-inspection fee applied to the 2008 volume of re-inspections conducted by Codes Bureau staff (1,781 re-inspections) would yield \$133,575 in revenue. This example is illustrative; fees for re-inspections are subject to further analysis and approval by Harrisburg City Council.

## **Issue I-7: Health Inspections**

### **Description**

The current Harrisburg Health Inspector was hired in 2007. Although the position was filled in 2007, the incumbent had no prior experience as a Health Inspector, and therefore was required to obtain extensive training from the Department of Agriculture as well as licensing from the State.

In addition to conducting health inspections of restaurants, eating and food establishments the Health Officer is responsible for investigating health related complaints concerning facilities where food is served, prepared or handled. The Health Officer is also responsible for lead hazard enforcement in residential housing units.

### **Observations and Analysis**

During 2008, the following health inspection activities were completed: 291 food related inspections, 60 food establishments permit applications were reviewed, 48 complaint investigations, 11 lead hazard inspections were made. Of the inspections completed 276 (95%) were inspections of food services establishments, while the remaining inspections were associated with enforcement of lead hazard codes.

While there are approximately 450 food establishments in Harrisburg which require annual inspection, only 64% of the annual inspections were completed in 2008. Similarly, based on October 2009 year to date health inspection activity, food establishment inspections for the current year are projected to be slightly lower, at 253.

Currently no fee is charged for the annual renewal of food establishments or re-inspections. Violations of the health code found during annual and complaint-related inspections often require one or more follow-up site visits to ensure that violations have been properly and thoroughly addressed.

### **Recommendations**

#### **Recommendation I-7.1: Create a quarterly renewal process for annual licensing and food inspections.**

The quarterly process would include 6 inspections per day in addition to lead hazard abatements and food inspection safety and education initiatives.

#### **Recommendation I-7.2: Implement a re-inspection fee for third and subsequent food establishment inspections.**

Because re-inspections occupy time that could be more effectively directed toward reducing the total workload assessing a fee beginning with the third fee being sufficient to cover the staffing and overhead costs

associated with the inspection, and sufficient penalty to encourage compliance prior to a third or subsequent inspection. Fees for re-inspections are subject to further analysis and approval by Harrisburg City Council.

## **Issue I-8: Food Inspection Reports**

### **Description**

The City of Harrisburg began using software provided by the Pennsylvania Department of Agriculture to record and track health license inspections. With the software the City can log basic information about the establishment (name, location inspection date, etc.) as well as inspection details, notes and violations observed by the inspector. A copy of the actual food facility inspection report can also be attached to the data that is entered into the database. The database is accessible to the public without restriction to access, and is searchable by zip code, county and establishment name.

### **Observations and Analysis**

Due to extensive problems with the Commonwealth's database the inspection system was inoperable for several months, during this time data input had to be put on hold. Presently there is a backlog of food inspection reports requiring input. The resulting impact is that there are many records that have not been uploaded to the system, or corrections have been made, and the record is still showing a violation(s). In order for the database to remain useful the data must be kept current. At the time of this report there was a backlog of approximately 300 records to be entered into the Department of Agriculture database.

### **Recommendation**

**Recommendation I-8: Assign administrative staff in the DBHD to assist with eliminating the backlog of food inspection files that must be entered into the database.**

Scheduling assistance from administrative staff for a period of approximately 80 hours would eliminate the backlog that currently exists and render information on the Pennsylvania Department of Agriculture database current for the City of Harrisburg.

## Issue I-9: Property Demolitions

### Description

Goal 3 of the City's Consolidated Plan (2005-2010) is: *To stabilize property values by ensuring all property is maintained in a decent, safe and sanitary condition and remove abandoned and blighted properties.* The Bureau of Codes oversees a blight removal program that consists in part, of property demolitions identified through the enforcement of the City's Property Maintenance Code.

Demolitions are funded through the City's Community Development Block Grant Program (CDBG). The City's Building Official who serves as the Director of Codes is responsible for identifying and maintaining a list of residential and commercial properties for demolition. An in-house demolition crew, comprised of four employees in Public Works, are responsible for demolishing residential properties at the direction of the Building Official. Commercial demolitions, non-attached residential properties, and accessory structures are razed by private contractors.

The Building Official estimates that there are approximately 300 buildings within the City that are candidates for demolition. The budget allocation and demolition workload is included in Table I-7.

**TABLE I-7: DEMOLITION ACTIVITY AND ANNUAL BUDGET**

Year	In-House Demolitions	CDBG Annual Budget
FY 2009	3	370,000
FY 2008	19	418,755
FY 2007	28	499,102
FY 2006	27	469,388
FY 2005	48	551,388
Total	125	2,308,633

### Observations and Analysis

Demolitions carried out by the Public Works crew consist primarily of row house structures that call for crews to engage in specialized demolition activities such as reinforcing common walls of row house structures and disassembling properties in a piecemeal manner. The City's rationale for conducting residential demolitions with an in-house crew is because these types of demolitions are considerably labor intensive. Codes Bureau staff also indicates that previous bids from the private market have exceeded the cost of in-house crew expenditures. However, Management Partners did not receive data to substantiate this claim.

As shown in Table I-8, the average cost of a demolition completed by Public Works ranged from \$6,601 in 2003 to \$59,961 in 2008.

**TABLE I-8: COST PER PUBLIC WORKS DEMOLITION**

<b>Year*</b>	<b>Demolitions Completed</b>	<b>Demolition Cost</b>	<b>Cost per Demolition</b>
FY 2008	4	239,844	59,961
FY 2005	48	346,284	7,214
FY 2004	28	289,464	10,338
FY 2003	55	363,031	6,601

- Data for demolitions completed between 2006 and 2007 was not available.

The wide ranging cost of demolition by Public Works crews is likely due to a number of factors, the time associated with demolitions, the experience levels of the crew and the methods employed for conducting complex and specialized demolition activity. It is also likely that experienced private sectors crews could perform the work more efficiently than the City crew.

### **Recommendation**

#### **Recommendation I-9: Seek bids for all future residential demolition activity.**

In order to determine if there are efficiencies to be gained in the demolition of residential properties the City should initiate the practice of bidding all demolition work. A bid process will allow for a competitive evaluation and comparison of demolitions completed by private sector crews. A bid process also will assure that the lowest cost available is secured for future demolition work. The Codes Bureau director should maintain data and report the costs and savings derived from bidding residential demolitions, regardless of the funding source.

## **Issue I-10: Fire Plans Review**

### **Description**

The Harrisburg Building Official indicates that for the past five years plans review and inspections associated with the Fire Code has been carried out by Plans Reviewers and Code Enforcement Officers in the Department of Building and Housing Development. Prior to this, sprinkler plan reviews and fire inspections were carried out by staff of the Fire Department.

### **Observations and Analysis**

In 2008 a total of 290 fire prevention code permits were issued, resulting in an estimated 40 hours of work activity by Codes Bureau staff associated with plans review and inspections. It is a best practice to assign sprinkler plans review and fire inspections functions to trained fire professionals rather than municipal code enforcement employees. The Harrisburg Fire Department has one FTE fire inspector who is responsible for performing inspections of commercial and multi-family structures in response to a complaint or a fire incident. While the rationale for transferring responsibility for fire plans review and inspections to Codes Bureau staff due to staffing shortages makes sense, a plan for moving the function back to the appropriate reviewing authority (Fire Department) is needed.

### **Recommendation**

#### **Recommendation I-10: Transfer fire plans review and inspections back to the Fire Department.**

While one FTE staff person in the Codes Bureau is certified to conduct fire plans and inspection functions, responsibility for these operations are best carried out by trained personnel in the Fire Department. An Inspector in the Codes Bureau could maintain his certification and act as a back-up resource to the assigned Fire Inspector.

Transferring fire plans reviews and inspections to the Fire Department will require coordination between Fire and the Codes Bureau to determine timing and establish workflow processes associated with routing plans and scheduling inspections. Prior to formally transferring the responsibilities several preparatory actions should occur, including identifying appropriate staff to carry out review and inspection functions in the Fire Department, obtaining appropriate fire plans and inspections training and certification, and determining a date to reassign duties from Codes Bureau personnel.

## J. PARKS AND RECREATION

The Department of Parks and Recreation is comprised of two bureaus and the Office of the Director. The department is responsible for recreation programming, pool facilities, a City beach, over 450 acres of parks and playgrounds, the maintenance of over 50,000 shade trees, and City steps. Park and Recreation employees also coordinate and market special events, undertake park planning and development, carry out park security functions, and publish periodic recreation program guides.

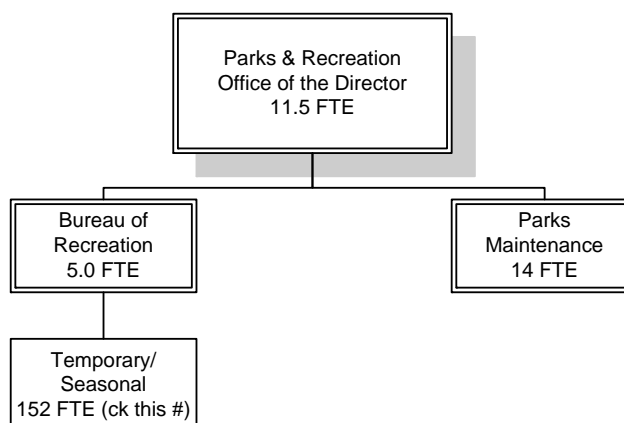
Park and Recreation functions are carried out by 30.5 fulltime equivalent staff (FTE). Many department activities and programs are supplemented by seasonal employees, the majority of which assist with summer programming which includes playground camps, summer leagues, clinics and carnivals, and other activities geared to youth and young adult populations. Table J-1 provides a summary of staff in the Department.

**TABLE J-1: PARKS AND RECREATION STAFFING**

Office/Bureau	FTE
Office of the Director	11.5
Bureau of Recreation	5.0
Bureau of Park Maintenance	14.0
Total	30.5

Figure J-1 depicts the organization of the department consisting of the office of the director and two programmatic areas.

**FIGURE J-1: APPROVED 2009 PARKS AND RECREATION SUMMARY ORGANIZATION CHART**



The total 2009 General Fund operating budget for the Department is \$2,570,414. Table J-2 provides a five-year budget history for Parks and Recreation operations and programming.

**TABLE J-2: PARKS AND RECREATION BUDGET HISTORY**

	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Estimate</b>	<b>2010 Proposed</b>
<b>Department Total</b>	2,839,888	2,739,184	2,681,242	2,477,073	2,434,011
Personal Services	1,926,372	1,867,026	1,938,355	1,640,675	1,618,760
Operating Expenses	888,750	849,426	733,533	821,048	795,901
Capital Outlay	9,850	7,182	0	0	0
Grants	14,916	15,550	9,354	15,350	19,350
<b>Office of the Director</b>	917,053	823,358	740,965	759,653	704,217
Personal Services	623,950	506,106	565,767	518,098	467,466
Operating Expenses	285,103	301,702	165,844	226,205	217,401
Grants	8,000	15,550	9,354	15,350	19,350
<b>Bureau of Recreation</b>	794,776	795,044	781,937	769,405	751,299
Personal Services	630,971	593,558	593,900	553,358	544,599
Operating Expenses	163,805	194,304	188,037	216,047	206,700
Capital Outlay	0	7,182	0	0	0
<b>Parks Maintenance</b>	1,128,059	1,120,782	1,158,340	948,015	978,495
Personal Services	671,451	767,362	778,688	569,219	606,695
Operating Expenses	439,842	353,420	379,652	378,796	371,800
Capital Outlay	9,850	0	0	0	0
Grants	6,916	0	0	0	0

## Office of the Director

The director's office is responsible for the overall management and functioning of the departments, as well as park planning and development, park security and special events programming.

The Office of the Director is comprised of 11.5 FTE as summarized in Table J-3.

**TABLE J-3: 2009 STAFFING TABLE - OFFICE OF THE DIRECTOR**

Position	FTE
Director	1.0
Executive Director – Parks Partnership	1.0
Special Events Director	1.0
Chief Park Ranger	1.0
Park Ranger Supervisor	1.0
Events Marketing Manager	1.0
Special Events Assistant	1.0
Special Events Marketing Assistant	0.5
Park Ranger	2.0
Secretary I	1.0
Administrative Assistant I	1.0
Total	11.5

## Bureau of Recreation

Recreation programming and staffing expense accounts for 31% of the total General Fund budget for the Department. Primary responsibilities of the Bureau entail planning and scheduling year round recreational activities, special events, sports activities, enrichment classes for youth and adults, and summer camps.

Recreation staffing is detailed in Table J-4.

**TABLE J-4: RECREATION BUREAU STAFFING TABLE IN 2009**

Position	FTE
Director	1
Sports/Special Programs Coordinator	1
Recreation Program Assistant	1
Parks and Recreation Assistant	1
Golf Instructor	1
Total	5

In addition to fulltime employees, the Bureau also hires temporary seasonal staff throughout the year, as needed, to staff a broad array of programs that are free or at a very low fee for attendees. During 2008 the Department hired 152 temporary employees for this purpose.

## Bureau of Parks Maintenance

Parks Maintenance is responsible for maintaining the assets of the City's extensive system of park and recreation facilities. Maintenance activities include routine and seasonal activities such as mowing and tree work, snow removal, special event set up and tear down, and operations and permitting for the City's premier recreation facility, City Island Park.

Facilities maintained by Park Maintenance staff include:

- 27 parks and playgrounds
- 470 acres of mowing area
- 4.5 miles of riverfront recreation
- 50,000 shade trees
- 20 acres of gardens
- 26 sets of City steps

The most well known and frequently used parks in the system include City Island Park, Reservoir Park and the Riverfront Park. City Island Park is home to the Commerce Bank Park stadium, a sports complex and the City Island beach. Reservoir Park is the oldest park in the City and is the site of the National Civil War Museum and the Levitt Pavilion for the performing arts. Reservoir Park contains 90 acres and sits at the highest point in Harrisburg. Italian Lake is a 9.5 acre facility that includes wildlife habitats, walkways and shoreline access. In addition to the larger parks which serve city and countywide populations, Harrisburg also has many smaller parks and playgrounds which meet the passive and active recreation needs of neighborhood and community residents.

The Park Maintenance Bureau is comprised of 14 FTE as summarized in Table J-5.

**TABLE J-5: PARKS MAINTENANCE STAFFING TABLE 2009**

Position	FTE
Director	1
Stadium Grounds Keeper	1
Construction Tradesman II	1
Crew Leader IV	2
Landscape Specialist II	1
Landscape Technician II	1
Motor Equipment Operator	1
Tradesman I	2
Gardner I	1
Laborer III	3
Total	14

## Office of the Director

The Office of the Director includes overall management of the department, planning and project management of park system improvements, Special Event planning and execution, publication of the City Calendar, and the Park Ranger program.

## Special Events

The City of Harrisburg offers free special events for the public year-round. The City's major events include the multi-day American MusicFest around Independence Day, and Kipona Celebration over Labor Day Weekend, Holiday Parade, New Year's Eve Celebration, and summer entertainment in the parks. The attendance figures listed in the annual report and budget document are estimates. There are no fees or other method to confirm these numbers.

American MusicFest This multi-day event is focused around three to five days surrounding Independence Day. Over 70 musical groups performed on six music stages from noon to 10 on Friday, 9:00 a.m. to 10:00 p.m. Saturday, and noon to 10:00 p.m. Sunday. The event is held on the riverfront and included music on 6 stages throughout the three-day event. Rides (fee of \$2/ride) were available as well a Children's Village, International Bazaar, and Karate Tournament. The event in 2009 was three days but the event was five days in 2008.

Kipona Celebration This three-day celebration is held at Riverfront Park and City Island over Labor Day Weekend, with events generally from 9:00 a.m. to 10:00 p.m. Saturday, Sunday, and Monday. The weekend's festivities included over 100 performances on four stages, a Native American Pow Wow with dance and drumming demonstrations, river races, children's activities, an arts festival, sports tournaments, and one night of fireworks.

Summer Concert Series - Levitt Live summer series in Reservoir Park includes Shakespeare in the Park performances, concerts, and movies totaling 28 nights of entertainment. Italian Lake summer concert series bring musical artists to Italian Lake for seven Sundays in the summer. According to the City's published estimates, the Levitt Live and Italian Lake concert series brought live entertainment 10,000 participants, which averages to 294 attendees per night.

Holiday Parade This event is held in November and the 2009 event included an estimated 2,500 marchers in over 100 units, according to the City's event website.

New Year's Eve The event in Market Square includes children's activities and free refreshments, live music, street vendors, carriage rides, countdown to lighted strawberry at midnight, and street level fireworks.

**Recreation events** (supported by Special Events fundraising and marketing)

Black History Enrichment Series and Gala (fundraiser) Series included year-round programming for youth using art, music, dance martial arts, literature, oral history, drama, and essay contests all focusing on African American heritage. The annual Black History Gala raises funds to support these programs.

Spring Egg Hunt Held in Reservoir Park for children.

Back-2-School Project Collect donations to give away 1,200 backpacks with school supplies at the end of the summer.

Fishing Derby Free fishing derby held at Jackson-Lick pool; one day for youth and families, one day for senior, adults and special needs groups; approximate times are from 9 am to 4 pm.

There are a variety of co-sponsored events that Special Events staff publicize through the City Calendar and website marketing. One major event that requires police overtime is Armed Forces Day (May 16) which is co-sponsored with the Pennsylvania National Guard.

## **Issue J-1: Lack of Processes to Track and Maintain Park Assets for Maintenance Purposes**

### **Description**

There are numerous assets associated with maintenance and management of Harrisburg park facilities. While Parks Maintenance crews carry out a number of routine seasonal activities, the systems required for managing and prioritizing maintenance operations do not exist.

### **Observations and Analysis**

The system of work planning used by the Park Maintenance Bureau is based on the seasonal demands associated with preparing park facilities, playgrounds, shelters, pavilions and park furniture for peak use during the spring and summer; winterizing buildings and landscaping during the fall; and conducting snow removal, equipment maintenance and repair during the winter months.

Work orders and maintenance reports are prepared in manual form and maintained in paper files. Park site inventories are incomplete and performance measures for assessing and comparing the efficiency of workload with associated costs do not exist. The use of operations data, including but not limited to, equipment inventories, park acreage, an up to date record of the condition of buildings, park and playground equipment, and street tree condition exists in dated paper files and archives. Without a system for logging and updating information about the various park and recreation assets and facilities, it is impossible to create and maintain best practice levels of operation.

Work planning within the bureau appears to be driven primarily by seasonal maintenance events, daily crew assignments, work orders and requests for services. Work planning associated with Park Maintenance activities is reported using workload indicators, however there is little indication that these metrics are used for managing bureau operations. The following list represents the Park Maintenance workload data reported in 2009 City budget:

- Miscellaneous maintenance tasks performed
- Acres maintained
- Trash and debris disposed (summer months and festivals only)
- Tree requests received
- Tree requests answered

The development and use of performance measures for major maintenance functions will be a valuable tool in managing workflow and for allocating limited staff resources.

## **Recommendations**

**Recommendation J-1.1: Develop a family of performance measures for major areas of work and assess and report maintenance metrics at least monthly.**

Performance measures are valuable tools used to calculate the use of staffing and budget resources. In addition to workload indicators which report the total amount of work completed, efficiency and effectiveness measures should also be developed for each primary Park Maintenance category of work. Table J-6 includes sample measures.

**TABLE J-6: SAMPLE PERFORMANCE MEASURES FOR PARK MAINTENANCE**

<b>Sample Measure</b>	<b>Purpose</b>
<b>Efficiency Measures</b>	
Calls for service completed per crew	Quantifies the number of service requests handled for a period of time for each assigned crew
Acres mowed per FTE	Measures the average number of acres mowed
Cost per event (including set-up, tear-down and time worked during the event)	Measures the average cost associated with maintenance staff hours for events
<b>Effectiveness/Outcome Measures</b>	
Percent of acres mowed within the mowing cycle	Quantifies the amount of turf cut within a 15 calendar day mowing cycle
Percent of requests for service completed within X days	A ratio of total work orders (by type) completed within an established time standard (e.g., 24 hours)
Percent of service requests investigated within X hours	Measures total investigations completed within an established time standard

Baseline inventories of park facilities by site, size and physical condition is a basic requirement for maintenance operations. While data exists in the aggregate, little detailed or site specific data about the age and condition of park and recreation assets exists.

**Recommendation J-1.2: Develop a comprehensive inventory of buildings, equipment, play equipment, furniture, shelters, passive and active area acreage, linear feet of sidewalk and trails, and the number and size of athletic fields.**

A comprehensive inventory of builds, grounds, and facilities is a best practice and basic starting point for effectively managing Parks and Recreation capital assets and grounds. This information should be cataloged and maintained in electronic form and used for the purpose of daily work planning and resource allocation.

**Recommendation J-1.3: Develop a Park Maintenance database that can be used to track scheduled maintenance and prioritize improvements.**

A maintenance database coupled with a comprehensive inventory of facilities and grounds will be the tools necessary to implement a systematic approach to the execution of work. Doing so will allow Park Maintenance managers to execute work more efficiently and effectively, and structure assignments based on data rather than repetitive seasonal and routine work activities. Use of Park Maintenance data will ultimately allow for the maximum use of limited resources staffing and financial resources.

## **Issue J-2: The Department Lacks Formal Work Planning and Reporting Mechanisms**

### **Description**

The bureaus within the Department of Parks and Recreation have defined activities that staff within each carries out at the direction of the bureau manager. While work functions are coordinated informally between the bureaus and the office of the director, there is no system in place for periodic reporting to determine if work activities are in line with annual goals, outcomes and department directives.

### **Observations and Analysis**

Management Partners was unable to obtain evidence that work plans outlining annual bureau goals by which monthly and weekly work activities are planned and executed exist. Instead, a laundry list of non-prioritized work functions that include activities described as: maintained mansion, removed dead trees and brush, cut and maintained lawn areas, etc. was found. While such descriptions for work assignments are suitable for periodic management reports, detailed data should be collected daily to allow for weekly and monthly comparisons workload to resources. While the long tenure of the bureau director affords a firm grasp of routine seasonal and preventive maintenance functions there are no systems in place to allow for prudent management of limited resources to support the diverse facility and landscaping needs for Parks and Recreation assets.

### **Recommendation**

#### **Recommendation J-2: Implement a system of monthly reporting by bureau and section managers.**

Annual work planning supported by daily and weekly assignments and monthly reports are a best practice. This practice is carried out by periodically assessing workload data and performance indicators. Regular data assessment and the reporting of weekly indicators will allow members of the Parks Maintenance management team to effectively evaluate and realign operations to fit changing demands as needed using metrics rather than relying solely on past practices.

## Issue J-3: Recreation Programming and Staffing

### Description

Historically the Harrisburg Bureau of Recreation has provided a wide array of programs free of charge to residents of the City. Programming includes year round and seasonal offerings for youth and adults. Extensive programming aimed at youth recreation is conducted during the spring and summer months for individuals and youth athletic teams.

### Observations and Analysis

Based on information obtained from the 2008 Annual Report, the bureau sponsored class activities and special events during the fall, winter and summer. The Summer Enrichment Program which provided a host of fee and low cost events for participants ranging in age from 6 to 17 years, as well as adults consisted of day and evening recreation programming and events from June through September. Table J-7 provides a summary of 2008 recreation participation levels.

**TABLE J-7: SUMMARY OF RECREATION BUREAU PARTICIPATION IN 2008**

Activity	2007	2008	% Change	Sites/Duration
Winter Programs	102,000	93,250	-8.6%	Various Sites /9 weeks
Playground Attendance	145,000	100,000	-31.0%	13 Playgrounds/9 weeks
Aquatics and Pool Program	56,700	25,520	-55.0%	3 Sites/14 weeks
Summer Special Events	221,400	201,800	-8.9%	Various Sites /9 weeks
Fall Program	57,675	86,050	49.2%	5 sites; 10 week program
Total Activity Count	582,775	506,620	-13.1%	

Based on participation figures included in the 2008 Department of Parks and Recreation Annual Report the overall participation for seasonal programs and activities decreased by 13.1% between 2008 and 2009. Winter and summer programs experienced a significant decrease in attendance, while fall program attendance figures show nearly a 50% increase in program participants for the two year period. Seasonal staff for recreation programs between 2007 and 2009 year-to-date has increased from 147 to 163, or nearly 11% over the three year period. The 2009 approved budget for seasonal and temporary employees is \$333,772 and a 12% increase over the 2008 seasonal and temporary staffing budget of \$297,500. In effect, recreation programming and staffing has continued to increase as program attendance has decreased.

### Recommendation

#### **Recommendation J-3: Align seasonal staffing to reflect true participation levels.**

As a practice, temporary staffing levels should be reviewed and adjusted seasonally and annually to reflect current participation levels, past

programming trends and planned participant levels. Aligning seasonal staffing needs with participation levels will preclude over budgeting scarce resources, and staffing levels that exceed participant rates. Reducing the 2009 budget for seasonal employees by 13% (to match the corresponding decrease in participants) will result in a savings of \$43,390.

## **Issue J-4: Recreation Participant Attendance Counts**

### **Description**

Recreation staff estimates manual attendance counts for many of the programs and events sponsored by the Department. Recreation participant programming estimates obtained from the 2008 Annual Report appear to include duplicate counts and in some cases it is noted that counts include that volunteers, staff, and audiences estimates from televised events are factored into reported total event counts.

### **Observations and Analysis**

While it is common practice to use methods for determining participant counts for youth activities that include the use of head counts, daily figures for the number of lunches provided at summer playground/camp sites, registration and participant sign-in information data, the addition of non-participants, staff or off-site viewers does not provide a true representation of participant levels. Management Partners has reservations about the accuracy and the consistency with which participant estimates are calculated. Current methods used to record and report participant counts are not useful for calculating the true cost of recreation programming. Staffing efficiencies cannot be achieved with inaccurate counts.

One tool that is commonly used in the development of participation counts are reservation tracking systems. In the absence of electronic tracking systems, detailed procedures for reliable participant counts using spreadsheets and manual estimation methods should be established.

### **Recommendations**

#### **Recommendation J-4.1: Document and refine processes and procedures for tracking and recording park and recreation participant counts and activity levels.**

Participation data is a primary tool for assessing true program costs. Documenting methods to be used by staff for determining recreation activity and park event counts will ensure that past practices of including non-event related attendees and volunteers in event participation is no longer common practice when determining total participation. Developing a method for consistently obtaining accurate participant counts will prove valuable in determining true program costs and proper staffing levels.

#### **Recommendation J-4.2: Implement an electronic reservation tracking system.**

Many park and recreation systems utilize integrated software tracking systems to manage an array of functions associated with many current activities and programs. For instance, such systems are commonly used

for activity and facility registration, site rentals, monitor participation levels and automate point of sale transactions. While implementation of a software system for tracking recreation programs and activities is likely to be a long-term priority in the current economic environment the required expenditure should be viewed as an improvement that will enhance the efficiency of operations.

## Issue J-5: Program and Activity Fees

### Description

Of the programs included in the 2009 Summer Enrichment Program guide, eleven activities were fee-based. The City of Harrisburg is the only city in Central Pennsylvania to offer year-round recreation programming, most of which is free of charge to City and County residents. Since participants are not subject to program fees, the cost is ultimately borne by the taxpayers of Harrisburg. Total revenue generated from all programs, park permits and other fees for the past three years are summarized in Table J-8.

**TABLE J-8: PARKS AND RECREATION REVENUE**

	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Projected</b>
Park Permit Fees	\$4,118	\$5,805	\$6,515
City Island Permit Fees		91,142	96,622
Pools	31,601	33,658	27,000
Fees- Shade Trees	269	1,742	1,000
Fees- Special Parking City Island	55,447	60,533	71,000
Contribution/Donations	87,938	65,457	85,000
Publication Advertising	8,652	4,685	35,000
Other Revenue	6,021	78	3,500
<b>Total</b>	<b>\$194,046</b>	<b>\$263,100</b>	<b>\$325,637</b>

### Observations and Analysis

Current charges for youth programs include: field trips, Romper Week, and girls and boys basketball leagues. However, the total revenue derived from seasonal recreation activities is not available. In order to continue the level of sports, events and special activity programs in a fiscally constrained environment a modest fee assessment will be required to recover some or all of the cost (see cost recovery section).

For example, in 2008 the two City pools and City Island Beach operated for a period of 14 weeks. Additionally, the pool facilities were used for swimming and water safety classes. Total revenue generated from fees and charges for lessons and recreational swimming was \$19,000. A conservative estimate of expenditures associated with staffing (lifeguards, pool monitors and managers), minor maintenance and other overhead, for the three facilities is estimated at \$25,100, excluding capital outlays associated with repairs for facilities that are at least 40 years old. Operations and maintenance for the two pools and the beach are offset by nominal charges including daily admission, pool memberships and swim lesson fees.

### **Recommendation**

#### **Recommendation J-5: Complete an attendance/ participant analysis and determine operating costs associated with recreation programs and activities.**

Recreation staff should regularly determine and evaluate the costs associated with operating major recreation program categories. The analysis should include the costs associated with staffing (full-time and seasonal), overhead, facilities, equipment and other operating expenses. The analysis should be updated annually and used to establish or revise cost recovery policies and goals associated with programs, classes and events designated for individuals, families, communities and teams.

While it is customary to provide recreation programming that is free of charge or at a reduced fee for certain populations, it is a best practice for parks and recreation departments to apply cost recovery methods in order to fairly and consistently recover fees from members of the community according to a standard.

## **Issue J-6: Park Maintenance Standards**

### **Description**

Based on interviews with Park Maintenance staff basic seasonal work activities are conducted with regularity and according to predictable work cycles. Among the work activities that are subject to scheduled and planned work are mowing, activities undertaken to prepare parks and playgrounds for opening, winterization of facilities, grounds and planting beds. In addition to scheduled and seasonal maintenance activities, crews have responsibility for preparing shelters and other facilities that are rented by individuals and groups during the spring, summer and fall seasons.

### **Observations and Analysis**

Routine seasonal work functions factor heavily in the planning of daily work activities carried out by staff of the Parks Maintenance Bureau. Work activities completed by maintenance crews also are frequently dictated by the demands and time pressures associated with league schedules, special events and recreation program start dates. During the winter month maintenance crews are assigned to equipment and tool repair and preventative maintenance, facility repair and renovation, and snow removal at Park and Recreation sites, in addition to supporting Public Works crews with snow removal as needed. Currently, there are few maintenance standards used by Parks Maintenance staff to guide weekly and seasonal work planning.

### **Recommendations**

**Recommendation J-6.1: Implement use of National Recreation and Park Association maintenance standards until local standards are derived and documented.**

The National Recreation and Park Association (NPRA) has established maintenance standards that act as point of reference or benchmark for managers in determining the average task times associated with specific volumes and types of work. NPRA standards provide a good basis of comparison and a baseline in the absence of data that reflects local conditions. For example NPRA standards exist for many of the major types of work performed by Harrisburg Parks Maintenance staff including various types of mowing, pruning, preventive maintenance of heavy, medium sized and hand held equipment. After the bureau has collected real data for a 12-month period the standards should be modified to reflect local conditions based on analysis of data reports.

**Recommendation J-6.2: Formalize seasonal maintenance procedures and functions.**

Organizing work procedures and practices in a formal document assures that work is consistently completed by work crews. Clearly understanding how work is to be done promotes efficiency in the completion of job duties and operations.

## **Issue J-7: Parks Maintenance Workload**

### **Description**

At present Park Maintenance staffing consists of 14 FTE, comprised nearly equally of laborers, landscape/gardeners, and tradesmen plus the director, two crew leaders and an equipment operator.

### **Observations and Analysis**

Parks Maintenance staff was unable to provide workload data for the work of their crews for seasonal use. The 2008 Annual Report for the department provides an extensive list of facilities maintenance duties performed for a total of 23 park and recreation sites throughout the City.

The lists includes activities such as removed dead trees, removed snow from walkways, cut and maintained lawns and right-of-way; however, there is no actual performance data for any of the work activities completed by maintenance crews. Additionally, Management Partners found no documented criteria for establishing work priority levels for use by crews in planning and assigning work orders. Without employee productivity data, it is nearly impossible to assess existing staffing levels and ensure optimal cost-effectiveness of operations.

### **Recommendation**

#### **Recommendation J-7: Develop a system of planning and measuring work performance for maintenance employees and crews.**

A data tracking system provides for daily recording of the units of work assigned, the units of work completed, and the time associated with completing the work. Data for work assignments should be tracked at two levels: individual employees and crews. Tracking workload data will allow the Park Maintenance Director and crew leader to assess employee and crew performance at multiple levels: hourly, daily, weekly and monthly.

Once a baseline of workload data for employees and crews is gathered (preferably one full season) Parks Maintenance managers should assess the baseline data and make comparisons with NRPA maintenance standards such as tractor mowing, bed work, edging, mulching, restroom cleaning, tree pruning, equipment maintenance.

## **Issue J-8: Budgeted Overtime**

### **Description**

Park Maintenance crews are routinely used to prepare for special events. Overtime hours are used since most events are held on weekends or evenings. Four-person crews, consisting of tradesmen, laborers and equipment operators staff special events prior to, during, and after event hours.

### **Analysis and Observation**

Overtime hours are used for event related set-up, staging and tear-down duties and similar activities associated with park permits issued for individual and group use. During events Park Maintenance crews are responsible for refuse disposal and other maintenance related duties, as required. In FY 2009 budgeted overtime for Parks Maintenance totaled \$26,568. In the FY 2010 budget overtime is proposed at \$23,480.

### **Recommendation**

**Recommendation J-8: Stagger work shifts so that maintenance personnel are scheduled on regular hours, rather than overtime, for weekend activities.**

By staggering work shifts so that personnel are regularly assigned to work on weekends of special events, the City should be able to reduce its overtime requirements by about half.

## Issue J-9: Special Events

### Description

The City sponsors a large number of events that attract visitors to Harrisburg. The economic climate has reduced private sponsorship funding. The events last multiple days and take up a significant amount of time and overtime from Parks and Recreation as well as other departments.

### Observations and Analysis

In years past Parks and Recreation staff has scheduled and hosted as many as eight major special events. These events typically involve corporate or private sponsorship, and varying levels of City support represented by staff from some or all of the following departments and divisions: seasonal recreation staff, Park Maintenance crews, Harrisburg Police, and Public Works crews. With less sponsorship money and long hours for many events, special events are becoming increasingly expensive to put on, in addition to not recovering all of the associated costs.

Staff was not able to provide cost data for each event. However Table J-9 below notes the overtime costs for two departments for each event in 2008. This does not include the hours incurred on regular time spent by both management and staff or the comp time accrued by management staff for events.

**TABLE J-9: OVERTIME COSTS**

<b>Event</b>	<b>Parks and Recreation Overtime</b>	<b>Police Overtime</b>	<b>Total Overtime</b>
Armed Services		\$5,418.56	\$5,418.56
Black History Month	\$1,296.52		1,296.52
Spring Egg Hunt	355.86		355.86
Fishing Derby	1,042.70		1,042.70
American MusicFest	4,751.70	31,911.00	36,662.70
Kipona Celebration	6,434.87	12,869.13	19,304.00
Holiday Parade	771.92	4,274.53	5,046.45
New Year's Eve	640.34	4,295.82	4,936.16
	\$15,293.91	\$53,350.48	\$74,062.95

The Special Events Coordinator and part-time Special Events Marketing Assistant positions have been eliminated in the FY 2010 budget. This staffing change in combination with the decrease in sponsorship revenues and the need to cut City costs for events will necessitate cuts in special events. Special Events can be an important City activity to promote the sense of community. Policymakers should evaluate each event for its contribution toward that goal, taking into account the cost of the event, and establish a clear policy about which events must be supported with contributions or, if not, cancelled. There may be

opportunities to engage the community to participate in the events and assist the City in lowering costs. Utilizing a cadre of volunteers could eliminate some of the overtime cost for staff and also provide a way to partner with the residents and businesses on special events.

### **Recommendations**

#### **Recommendation J-9.1: Establish a special events funding policy to assure continued funding.**

Special events should only move forward if full, or nearly full, cost recovery can be achieved through private sponsorship, participant fees, or other non-General Fund source revenue, including paying for other departments' overtime charges. City staff was not able to provide the complete cost data and sponsorship amounts per event.

#### **Recommendation J-9.2: Reduce City staff costs at events by increasing use of volunteers and paying back departments that incur overtime as outlined in new policy.**

## **Issue J-10: Impact of Fees on Low Income Residents**

### **Description**

With the implementation of new fees under a cost recovery policy, there are a number of residents who will not be able to pay the full rate because of their income level. Provisions should be made to provide reasonable assistance to children and youth so they can continue to participate in Recreation and Parks programs. There are several ways to raise the revenue needed.

### **Observations and Analysis**

While cost recovery programs are essential for the sustainability of parks and recreation services, there are also some residents who cannot afford to pay the fees. Some communities provide a scholarship program which allows children in income-eligible families to participate with reduced fees. This scholarship program can be funded by private contributions, from the other users via a nominal fee, or from an amount of money set aside in the General Fund. Some communities use several of these methods to fund this. Private funding can be raised for specific purposes (sponsoring field trips, sports program scholarships, afterschool programs) or raised and used for all youth that meet the income criteria.

By adding fees and having families that can afford to pay for programs under the cost recovery program, this will provide some additional revenue which could be used to help pay for those that meet income requirements. Without fees, the general taxpayer is subsidizing a family that can afford to pay by using money which could otherwise be supporting services for a family that cannot afford to pay. Many communities require a modest co-payment from the income-eligible family and limit the amount of funding available per child and per year.

In addition to raising private donations from businesses and individual donors, some communities add a small amount to registration (\$1 to \$5) which supports children who cannot afford to pay the entire fee. If this method is used to raise funds, it should be clearly stated how much of the registration fee goes toward supporting an income-eligible child. Funding should be separately accounted for and reported to the public in the budget and annual report. Instead of this method, some communities set aside a specific amount of money and use that to support children from income-eligible families. A certain number of spots for each program would be supported by that General Fund amount.

Scholarships should be available only to city residents; non-residents should pay at least at the 100% cost recovery rate. Additionally, all programs (including those that are currently free or that are offered through a scholarship program) that require city staffing should require a de minimus fee (\$10 to 25) and should be provided through the registration system. By requiring all participants to pay a de minimus fee, it ensures that the correct level of staffing is available. When people are required to make a financial commitment, even a very small one, they are

more likely to attend. This keeps program staffing at the correct level (as opposed to having more staff than needed because a number of participants drop out since there was no requirement to pay and therefore less commitment to the activity).

### **Recommendation**

#### **Recommendation J-10: Develop scholarship program to pay fees for children that cannot afford programs.**

The City could use the school system's free and reduced meals program as the income level that qualifies for scholarships by requiring the paperwork to be shown to Parks and Recreation staff on an annual basis (to ensure income guidelines are met). The scholarship should be for a set amount per child and should include a matching portion (\$10 to \$25) to be paid by the resident.

## **Issue J-11: Two Separate Entities Solicit Sponsorships and Corporate Donations**

### **Description**

The City's Special Events staff solicits sponsorship funding for all major special events as well as some recreation program events that they support. The Harrisburg Parks Partnership, a 501(c)(3), also solicits private donations for Parks and Recreation programs and capital improvements. There is little coordination of fundraising between these two entities. The Parks Partnership receives an administrative fee for serving as the charitable depository for corporate gifts raised by Special Events staff.

### **Observations and Analysis**

The Harrisburg Parks Partnership was created in 1989 as a private, non-profit 501(c)(3) to accept charitable contributions. Its mission is to receive charitable contributions and provide grants and help pay for some parks programs and capital expenditures (playgrounds, park renovations, youth recreation programs). Its major fundraiser is a rolling membership campaign. Members pay \$35 for an individual, \$50 for a family, \$175 for a non-profit, and \$225 for a corporate entity. The primary benefit of membership is half price on permit fees for pavilion rental fees. Current membership numbers are down from an estimate one-time high of 9,000 to 10,000 members a number of years ago to the current level of approximately 40 to 50 individual and 20 to 30 non-profit or corporate organizations.

Sponsors that donate funds for a particular special event through City staff provide a check payable to the Harrisburg Parks Partnership. The Partnership keeps an administrative fee as follows:

4%	Under \$10,000
3%	\$10,000-20,000
2%	Over \$20,000

There has been staff turnover at the Executive Director level and a new director was hired in July 2009. The Executive Director has a background in non-profit development work and is currently developing materials and levels of sponsorship and planning two spring fundraisers to raise funds and membership levels. The organization's board has a number of vacancies that need to be filled. There is no strategic plan or set of objectives or priorities.

### **Recommendations**

**Recommendation J-11.1: Eliminate Executive Director and staffing at Harrisburg Parks Partnership for a cost savings of \$42,000.** Transfer these duties and responsibilities to the Director of Parks and Recreation.

**Recommendation J-11.2: Develop a strategic plan for corporate sponsorship fundraising, including goals for an annual campaign and how funds should be prioritized.** The strategic plan should include the amount needed to be raised, how funds are to be used, develop timeframe by which to raise or cancel event, and written agreement with each sponsor outlining payment, recognition, etc.

**Recommendation J-11.3: Eliminate Parks Partnership membership program through attrition; develop alternative giving program for individuals through strategic plan process.**

## **Issue J-12: Park Ranger Program**

### **Description**

The Park Ranger program is a small unit patrolling City parks. There is inadequate staff to cover shifts throughout the year. There are numerous special events that cause staff to work at the same time. The Police Department is the backup for this unit on serious calls for service.

### **Observations and Analysis**

The City has had a Park Ranger program since 1990. In 2006, budget cuts caused one Park Ranger Supervisor position to be eliminated. In 2007, additional cuts reduced the park ranger staffing from nine part-time rangers to two full-time rangers. There is also a Chief Park Ranger and a Park Ranger Supervisor, for a total of four persons. The total staff patrol the City's 26 parks and playgrounds every day of the year generally on the following shifts:

10:30 am to 7 pm – 1 Park Ranger and 1 Park Ranger Supervisor  
1:30 pm to 10 pm – 1 Park Ranger  
6:30 p.m. to 3 am – 1 Chief Park Ranger

There are three vehicles shared by the four rangers. None are take home vehicles. Calls are dispatched through the Police department, and Police routinely back up Park Rangers on disorderly conduct and other calls. Calls include alarms of buildings, fights, drug activity, and sexual activity. In addition to responding to calls for service, the rangers patrol parks and park facilities throughout the City. Staff report the most common calls they respond to involve drug activity, alcohol, and disorderly conduct. There are also fights that break out in the summer.

Park Rangers communicate with Police on radios on a different channel or on Nextel two-way cell phones. Park Rangers are trained through a 48-hour park ranger program at the community college. Rangers have no arrest powers. Only the Chief Park Ranger carries a weapon and has received additional training.

Generally, all four park rangers work major special events. The supervisor estimates overtime for the Holiday Parade to be 10 to 12 hours each and American MusicFest to be about 12 to 14 hours each. The Park Rangers also work outside the stadium when events are occurring.

Park Rangers do not keep track of the calls for service. Citation data is listed in Table J-9 below, as noted in the annual reports for each year. There are increasing numbers of non-traffic tickets issued that have led to arrests which means an increasing reliance on Police Department support for this function.

**TABLE J-9: CITATIONS ISSUED BY PARK RANGERS**

Citations issued	2007	2008	2009*
Parking tickets	167	229	116
Non-traffic tickets leading to arrests	7	17	35

\* Through December 24, 2009

## **Recommendations**

**Recommendation J-12.1: Eliminate the Park Ranger function and assign responsibility to the Police Department (Parking Enforcement and Patrol units) for a total cost savings of \$162,674.**

This division has been cut dramatically over the last few years, from a high of nine part-time rangers to two full-time park rangers and two supervisory personnel. We recommend eliminating this unit and moving the function to the Police Department because of the current staffing level, the necessity for police backup for many calls, and a significant cost savings to the City.

**Recommendation J-12.2: Install fencing, gates or other barriers to discourage use and access into parks after hours.** Currently, only Reservoir Park has gates to block vehicular access. Add cameras to buildings and other key park locations where vandalism or other criminal activities occur.

With the elimination of the Park Ranger unit, the on-site presence in parks **may be** diminished. By adding cameras on buildings and key park locations and constructing fences or other barriers vandalism and illegal activity can be curbed at a lower one-time capital cost, rather the ongoing human cost associated with periodic patrols. Cameras and barriers are commonly used in security operations at a much lower annual operating cost than with human beings patrolling areas.

**Recommendation J-12.3: Require events held at the stadium on City Island to have security staff patrol outside parking lot areas during and after events or charge full cost for City service.**

The cost of private events should be borne by the entity using the stadium. This includes the security required outside in parking lots and other areas as patrons leave events. The security of the parking areas should be supplied by the users of the stadium (either through their own private security or by hiring off-duty police officers. This should reduce the need for police calls for service after events.

## K. BUREAU OF FIRE

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### Overview of Bureau

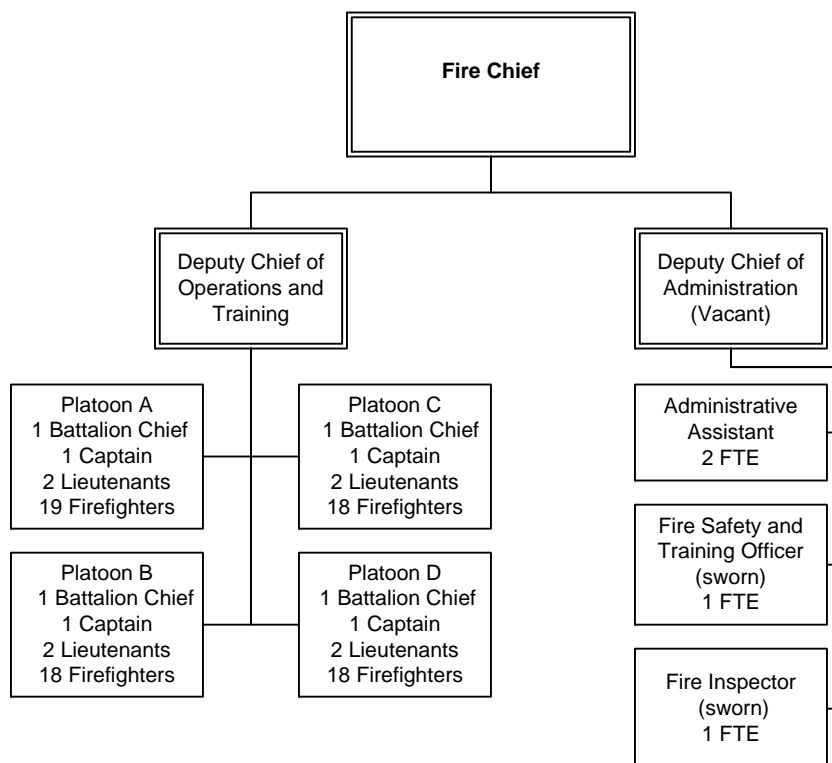
The City of Harrisburg Bureau of Fire provides emergency fire suppression services for all residential and commercial fires within the confines of the City, which encompasses approximately 11.4 square miles. This includes both normal fire response as well as special operations responses, such as high angle or confined spaces rescues. Emergency Medical Services (EMS) are primarily provided by a contracted third party (Life Team). The Bureau of Fire responds to high priority EMS calls (cardiac arrests, major car accidents, etc.) along with Life Team. Life Team provides all transport services. In addition to fire suppression, the Bureau of Fire is responsible for fire prevention and education activities throughout the community.

The Fire Inspection Unit is responsible for fire prevention activities, which include building plan reviews and inspections for new residential and commercial development as well as complaint and/or incident driven inspections of commercial and multi-family properties.

The department also conducts a comprehensive fire education program. The fire education program, which is primarily staffed by fire suppression companies focuses on educating school-aged children, adults and senior citizens on how to react in the event of an emergency situation or fire, emphasizing the skills necessary to navigate an emergency in the workplace, home, school or community at large.

To perform these functions, the proposed 2010 City budget calls for a sworn staffing level of 94 FTE. This number includes 75 front-line firefighters, eight lieutenants, four captains, four battalion chiefs, two deputy chiefs and one fire chief. As of December 2009, one deputy chief position was vacant and two firefighter positions were vacant. This equates to a total *actual* staffing level of 87 front-line firefighters, including captains and battalion chiefs. Figure K-1 provides a breakdown of actual staffing levels and reporting relationships as of December 2009.

**FIGURE K-1: BUREAU OF FIRE ORGANIZATION CHART**



The total proposed 2010 budget for the Bureau of Fire is \$8,131,650, 93% of which is personnel expenses. Table K-1 provides a breakdown of the Bureau of Fire's budget history.

**TABLE K-1: BUREAU OF FIRE BUDGET HISTORY**

	2006 Actual	2007 Actual	2008 Actual	2009 Estimate	2010 Proposed
<b>Bureau of Fire</b>					
Personal Services	\$9,569,418	\$8,319,625	\$9,205,758	\$7,631,375	\$7,621,472
Operating Expenses	\$401,366	\$479,903	\$424,198	\$510,385	\$463,373
Capital Outlay	\$108,005	\$81,528	\$65,882	\$65,307	\$46,805
Grants	\$0	\$0	\$0	\$0	\$0
Non-Expenditure Items	\$0	\$0	\$0	\$0	\$0

Like most jurisdictions, the majority of the Fire Bureau's staff are dedicated to fire suppression. Fire suppression is coordinated from one of four fire stations: stations one, two, six and eight. Stations one and two each operate one pump truck and one ladder truck and serve as the primary stations. Station six operates a ladder truck and serves as a

satellite station. Station eight, another satellite station, operates a heavy rescue truck.

Fire suppression personnel operate under what is commonly referred to as the “Philadelphia Shift Schedule.” The Philadelphia schedule calls for a shift rotation of two day shifts and two night shifts followed by four days off. To accommodate this shift rotation, day shifts are 8 ½ hours and night shifts are 15 ½ hours. Table K-2 provides an example of how the Philadelphia shift is applied for one employee over an eight-week period in Harrisburg.

**TABLE K-2: EXAMPLE OF PHILADELPHIA SHIFT**

	Sun	Monday	Tues	Wed	Thu	Fri	Sat
<b>Week 1</b>	8.5 hrs	8.5 hrs	15.5 hrs	15.5 hrs	Off	Off	Off
<b>Week 2</b>	Off	8.5 hrs	8.5 hrs	15.5 hrs	15.5 hrs	Off	Off
<b>Week 3</b>	Off	Off	8.5 hrs	8.5 hrs	15.5 hrs	15.5 hrs	Off
<b>Week 4</b>	Off	Off	Off	8.5 hrs	8.5 hrs	15.5 hrs	15.5 hrs
<b>Week 5</b>	Off	Off	Off	Off	8.5 hrs	8.5 hrs	15.5 hrs
<b>Week 6</b>	15.5 hrs		Off	Off	Off	8.5 hrs	8.5 hrs
<b>Week 7</b>	15.5 hrs	15.5 hrs	Off	Off	Off	Off	8.5 hrs
<b>Week 8</b>	8.5 hrs	15.5 hrs	15.5 hrs	Off	Off	Off	Off

To accommodate the Philadelphia shift schedule, Harrisburg organizes its fire suppression personnel into four platoons: A, B, C and D. The department uses a minimum staffing plan for each shift of 16 firefighters and one command officer per shift, with the goal of staffing two personnel (firefighters or lieutenants) on each ladder truck and three personnel on each pump truck. The targeted staffing allocation by station and apparatus is summarized in Table K-3.

**TABLE K-3: TARGETED SHIFT STAFFING LEVELS BY STATION AND APPARATUS**

Station	Apparatus	Staffing Level
Station 1	Pump Truck	3
	Ladder Truck	2
Station 2	Pump Truck	3
	Ladder Truck	2
Station 6	Ladder Truck	3
Station 8	Heavy Rescue Truck	3
Command Position (Battalion Chief or Captain)	SUV	1
<b>Total</b>		<b>17</b>

## Issue K-1: Fire Suppression Shift Schedule

### Description

The Bureau of Fire operates under the Philadelphia shift schedule, which calls for a shift rotation of two day shifts and two night shifts followed by four days off. To accommodate this shift rotation, day shifts are 8 ½ hours and night shifts are 15 ½ hours. With the Philadelphia schedule four platoons are required. Under the more common 24-hours on/48-hours off fire department schedule, only three platoons are required. As a result, the 24/48 hour shift is more efficient than the Philadelphia shift, providing the same level of service but requiring fewer resources.

### Observations and Analysis

Targeted staffing for each shift is 16 firefighters, and one command officer for each shift. This equates to a total staffing need of 68 fire suppression and command personnel (minimum staffing of 16 multiplied by four platoons).

While 68 positions is the targeted front-line firefighter staffing level, the City must staff more than 68 positions to cover for vacation leave, sick leave and other forms of leave. To determine the total number of positions that must be employed to ensure that each of the 68 positions are fully staffed 24 hours per day, seven days per week, it is necessary to calculate a relief factor. The relief factor is calculated by comparing the number of hours the average fire suppression employee is scheduled to work (in this case 2,184 hours per year) with the average number of hours that an employee is actually *available* to work. The formula for calculating the relief factor is as follows:

$$\text{Relief Factor} = \text{Annual Scheduled Hours} / (\text{Annual Scheduled Hours} - \text{Accumulate Leave Hours})$$

Detailed data regarding fire suppression employee leave time for Harrisburg was not available. However, by applying the leave time experience of a similar Pennsylvania fire department operating under the Philadelphia shift schedule, Management Partners estimates a relief factor for the Harrisburg Bureau of Fire of 5.03.

Applying the relief factor estimate for the current shift schedule (5.03) to the 17 required per shift produces a result of 85 personnel needed. There are currently 87 actual positions assigned to the four platoons (89 budgeted), 2 FTE higher than necessary.

Having determined the relief factor for the existing Philadelphia shift, we can now estimate the relief factor for a 24-hour on/48-hour off (24/48) schedule, which is the most commonly used schedule for firefighters across the country. The primary difference between the Philadelphia schedule and the 24/48 schedule relates to platoon numbers. With the Philadelphia schedule it is necessary to maintain four platoons to ensure that each shift is appropriately covered. With a 24/48 schedule it is only

necessary to maintain three platoons to meet the demand schedule and provide a consistent level of service.

Given the reduction in necessary platoon numbers, the relief factor for a 24/48 hours schedule is 4.25. In other words, to cover one position for 24 hours, 365 days a year, it would be necessary to hire 4.25 persons. Therefore, in order to maintain current scheduled daily staffing of 17 personnel around the clock, the required staffing would be 72 personnel.

There are currently 87 positions authorized for fire suppression duties in the Operations Division. The 24/48 shift schedule could result in a reduction of 15 positions without impacting service level or response time. This equates to a total salary and benefit savings of \$994,725 per year.

### **Recommendation**

**Recommendation K-1: Change the fire suppression work schedule from the current Philadelphia shift schedule to a 24-hour on/48-hour off schedule.**

## **Issue K-2: Bureau of Fire Overtime Expense**

### **Description**

The 2010 Budget includes \$1,230,000 for overtime. That amount includes approximately \$360,000 for 4 hours premium time per firefighter per pay period. Approximately \$870,000 is paid for overtime to meet minimum staffing requirements. That equates to approximately 22,600 hours of overtime for minimum staffing. With 91 authorized positions, the overtime allocation equates to approximately 248 hours of overtime per position, or nearly 6 additional weeks of work per position.

### **Observation and Analysis**

The 2009 overtime data provided by the fire bureau indicates that minimum staffing overtime events occurred 1,485 times in 2009. The two-shift per day schedule currently being used by the department results in 730 shifts that must be minimally staffed per year. With 1,485 minimum staffing overtime events in 2009, that means that each shift required an average of 2.03 minimum staffing overtime events. Given that minimum staffing per shift is 16 (plus a battalion chief), in 2009 nearly 13% of each shift was staffed on time-and-a-half-basis.

This overtime rate appears to be excessive when compared with other jurisdictions. However, without further in-depth analysis we cannot determine what the causes of such extensive overtime. Causes would typically be related to vacation scheduling, the incidence of sick/personal/injury time, or policies regarding the use of compensatory time. Management Partners submitted relevant data requests to the Bureau of Fire and City management so that we could conduct a detailed analysis to determine the sources of overtime and the appropriate strategies for reducing overtime costs. However, at the time this report was being written, the City had not provided the requested data.

### **Recommendation**

Since the detailed information requested is not currently available, precise actions for reducing overtime cannot be recommended. At a minimum, however, we recommend the following:

**Recommendation K-2: Develop and implement a goal of reducing overtime in the Fire Bureau by half during the next year.**

This recommendation is dependent upon the bureau's ability to collect and analyze the data necessary to determine the causes for overtime and to design a plan to effect meaningful reductions. We anticipate that this plan will include several components, including implementation of the recommended new shift system, evaluation of holdover and callback procedures, effective management of leave time, training scheduling, and similar actions.

## **Issue K-3: Executive Command Structure**

### **Description**

The Bureau of Fire is staffed with two deputy chief positions. One deputy chief is responsible for operations, the other (a vacant position) is responsible for administration. Under the existing organizational structure, the deputy chief responsible for administration supervises a total of four FTEs, including two sworn officers and two civilian administrative assistants. The responsibilities of the position do not require the experience of a deputy chief.

### **Observations and Analysis**

The Deputy Chief of Administration is responsible for the department's administrative functions and oversees the fire prevention program, as well as training program (which is the direct responsibility of the Fire Safety And Training Officer). Given the limited span of control and relatively focused responsibilities of the position, the function would be better performed by a lower-grade position. Assigning the administrative function to a lieutenant or a battalion chief provides some benefits. It allows the department to:

- Address backlogged workload associated with the vacant deputy chief position.
- Better match the rank of the position with the responsibilities of the position.
- Effectively perform the functions of the position at a lower salary and benefit cost.
- Provide valuable professional development opportunities to promising company personnel.

With this organizational model, the Fire Prevention Officer and the Fire Safety and Training Officer would report directly to the Deputy Chief of Operations. The department's support staff would report to the Fire Chief and the Deputy Chief of Operations. A lieutenant or battalion chief, depending on the expertise of staff, would then serve as an assistant to the Fire Chief. This position would complete special projects and analysis on behalf of the fire chief and the deputy chief of operations.

This will provide a unique professional development opportunity for junior staff while providing much needed administrative and analytical support to the Fire Chief and Deputy Fire Chief. Moreover, the department will be able to fill the position internally, thereby avoiding the cost of hiring additional personnel.

### **Recommendation**

**Recommendation K-3: Eliminate the position of Deputy Chief of Administration in favor of developing an Assistant to the Fire Chief position to be filled by a junior fire officer.**

Implementation may result in an anticipated salary savings of \$10,000 per year. In addition, the reorganization will provide a valuable professional development opportunity for junior staff.

## **Issue K-4: Fire Inspections**

### **Description**

Plan reviews and inspections for the Bureau of Fire are assigned to one FTE, a Fire Inspector. Given the limitations on staffing levels in this highly important area, the department only completes inspections of existing commercial or multi-family structures as a response to a complaint or a specific fire related incident. In addition, Management Partners' field work indicates that most fire code reviews and inspections for new construction are completed by staff from the Codes Department. This is due not only to the staffing constraints in the Bureau of Fire but also the lack of available training for Bureau of Fire inspection personnel.

### **Observations and Analysis**

The application of annual proactive commercial and multi-family fire code inspections has been shown to have a high impact on fire prevention. By proactively identifying and addressing potential fire hazards, the department can prevent unnecessary loss of life or property. In fact, the National Fire Protection Association (NFPA) recommends that most commercial and multi-family properties be inspected at least once per year.

While one Fire Inspector alone cannot effectively implement a proactive inspection program, there is an opportunity to develop a company-based inspection program whereby engine companies are assigned to complete inspections, as well as respond to fires, during the day. With this organizational model, engine companies would be trained to identify potential fire safety issues and the Fire Inspector would serve as a liaison between the customer and the engine companies, working to resolve issues that may arise.

This is a best practice model that has been applied in many jurisdictions throughout the country to ensure a robust fire prevention program while more effectively utilizing resources. However, this program is only viable if fire suppression workload permits the assignment of additional duties.

In Calendar Year 2008 (the last year of data provided by the Bureau of Fire), the Bureau of Fire responded to an average of eight fire calls per day, or one call every three hours. Certainly, averages do not reflect occasions where one fire call is stacked upon the other; however, engine companies that perform inspections are still available to respond to calls for service and to prioritize inspection workload against call volume. This suggests that ample time will be available on a daily basis to perform company-based inspections.

While the specifics of implementation would be designed by Fire Department personnel, there are best practice procedures and approaches that will help the department with implementation. The following illustrates how the company-based inspection process utilized

by the San Diego, California, Fire Department could be adopted by the Harrisburg Bureau of Fire.

- The Fire Inspector would serve as Senior Inspector and as the company-based fire inspection program (CFIP) program manager. S/he and would have overall responsibility for the management of the program. S/he will serve as the liaison between the Fire Chief, company officers and the community and will develop an annual inspection list and inspection assignments for each fire company. The Fire Inspector would also be responsible for the initial training of all company members in basic fire inspection procedures and providing all companies with proper forms and directives as needed.
- Company officers (battalion chiefs, captains or lieutenants, depending on the station) would have responsibility for CFIP implementation.
- Company officers would be responsible for scheduling, coordinating, and supervising all inspections conducted by members of their company under the guidance of the CFIP inspector.
- Company officers would also be responsible for coordinating with the Fire Safety and Training Officer to schedule continuing education house drills to maintain a sufficient level of understanding of fire regulations and inspection procedures as pertains to their specific inspection assignment.
- Firefighters would be responsible for that portion of inspection duties that may be assigned by their company officers. Each fire company would be responsible for accurate data collection and attention to detail during required inspections in order to maintain the integrity of the Fires2000 database and other bureau records.

### **Recommendations**

**Recommendation K-4.1: Implement a proactive, company-based commercial and multi-family property inspection program.**

**Recommendation K-4.2: Fully train the Fire Inspector to complete all fire code plan reviews for new construction.** This will require the pursuit of additional certifications.

Implementation of a company-based inspection program will allow the City to develop a proactive inspection program, which has proven to be an effective method of reducing fire incidents. Moreover, utilizing existing fire companies for inspections will allow the City to implement this best practice by better utilizing existing resources rather than hiring additional employees.

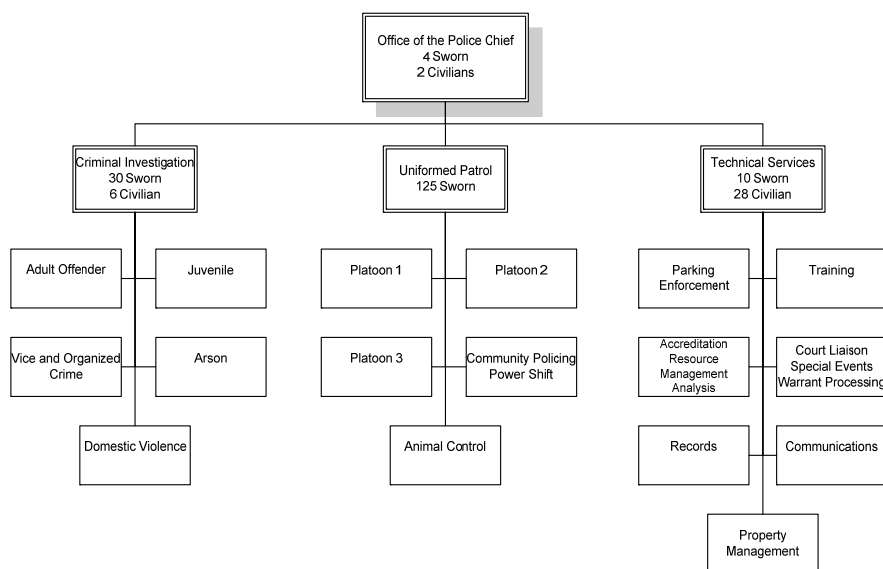
Fully training the Fire Inspector to complete fire plans reviews will enable the Bureau of Fire to take a more active role in building plan review, allowing the Department of Building and Housing to better focus on its core plan review activities.

## L. BUREAU OF POLICE

### Overview of Bureau

The Bureau of Police is responsible for providing protection from crime and the impact of crime within Harrisburg. The bureau also enforces parking regulations within the City limits of Harrisburg. The Bureau of Police is organized into four sections: Office of the Chief of Police, Uniformed Patrol, Technical Services, and Criminal Investigation. Figure L-1 displays the organization chart for the Bureau.

**FIGURE L-1: BUREAU OF POLICE ORGANIZATION CHART**



- **Office of the Chief of Police.** The commanding officer of the bureau is the Chief of Police. This office is responsible for the management of available resources to ensure that the bureau's goals and objectives are achieved. The Chief's Office is responsible for the direct supervision of the Internal Affairs Unit, Crime Prevention Unit, Community Relations Unit and the Financial Development Officer. The Chief also manages and directs three primary divisions (Uniformed Patrol, Technical Services, and Criminal Investigation) each commanded by a captain. The Office of the Chief has five authorized positions; three sworn and two civilian. The proposed 2010 budget for the

Office of the Chief is \$2,888,947 and includes all the operating expenses and bureau allocated costs for benefits such as severance pay and workers compensation.

- **Uniformed Patrol.** The 2010 Proposed Budget for the Uniformed Patrol Division consists of 135 sworn personnel and has a total proposed 2010 budget of \$9,156,097. The proposed personnel complement for 2010 includes one captain, three lieutenants, six sergeants, eight corporals, 116 officers, and one dog law enforcement officer. There are six units in the division: Patrol, Traffic Safety, Community Policing Power Shift, Housing, School Resource Officers, and Animal Control.

The Patrol Unit is staffed with 110 sworn personnel in four platoons working eight-hour shifts. The City is segmented into seven districts. Minimum staffing is one unit per district, two transport vans, and a roving unit that acts as backup for two unit calls for service. There are normally two supervisors per shift. Two officers staff the booking/detention unit around the clock.

The Traffic Unit consists of a sergeant and three officers. The unit's mission is to investigate traffic accidents, perform special speed enforcement, perform tractor trailer inspections and provide support to special grant financed traffic safety operations. The unit operates from 7 a.m. to 10 p.m.

The Community Policing Power Shift Unit works from 4 p.m. to midnight but can be deployed tactically at other times of the day. The unit is staffed with five officers whose primary duty is to accompany Dauphin County Probation and Parole Officers on house visits to check on probationers/parolees. This unit also checks bar operations and responds to noise ordinance complaints.

The Housing Unit consists of four officers who are assigned to Harrisburg Housing Authority sites to provide security and assistance to residents. The cost of these officers is paid by the Housing Authority.

Six school resource officers are assigned to the Harrisburg School District junior and senior high schools. The 2010 proposed budget indicates an anticipated reimbursement of \$350,000 from the School District for the cost of these officers.

The Animal Control Unit consists of a sworn Dog Law Enforcement Officer who works a variable schedule and responds to complaints about dog law violations.

- **Technical Services.** The Technical Services Division is comprised of personnel that serve a variety of functions. The

Police Bureau's Training, Property Management, Warrant/Process Service, Court Liaison/Special Events, Report Writing, Communications and Records Center personnel are assigned to the Technical Services Unit. The unit includes 34 positions, four of which are part-time. The unit's full-time personnel consist of 5 sworn personnel and 25 civilian personnel. The 2010 Proposed Budget for this unit is \$1,567,072.

- Criminal Investigations.** The Criminal Investigations Division investigates adult and juvenile crimes referred by the Uniformed Patrol Division. The division has the following units: Adult Offender, Juvenile Offender, Organized Crime and Vice Control, Special Operations, Forensic, Auto Theft, Habitual Offender, Domestic Violence, and Arson Units. Thirty-eight personnel are assigned to the division, consisting of 32 sworn personnel and 6 civilians. The 2010 proposed budget is \$2,777,364.

The Bureau budget summary is shown in Table L-1.

**TABLE L-1: BUREAU OF POLICE BUDGET HISTORY**

	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Estimate</b>	<b>2010 Proposed</b>
Personal Services	\$17,652,857	\$17,058,766	\$17,807,837	\$14,053,285	\$15,868,728
Operating Expenses	\$762,952	\$905,095	\$709,388	\$1,090,178	\$1,013,602
Capital Outlay	\$0	\$0	\$0	\$9,445	\$9,000
Grants	\$12,430	\$0	\$0	\$50,000	\$0
Miscellaneous	\$25,392	\$0	\$0	\$5,816	\$6,000
total	\$18,453,632	\$17,963,861	\$18,517,225	\$15,208,724	\$16,897,330

The 2009 Budget authorized a total of 219 positions for the bureau, of which 169 are sworn personnel and 50 are civilians. The 2010 Proposed Budget includes 222 full-time positions and 4 part-time positions of which 52 are civilians and 174 are sworn personnel. Table L-2 shows the comparison of the 2009 authorized strength to the 2010 budget proposal.

**TABLE L-2: BUREAU OF POLICE AUTHORIZED PERSONNEL COMPARISON 2009 - 2010**

<b>Unit/Position Title</b>	<b>2009 Budget</b>	<b>2010 Proposed</b>
Office of the Chief		
Police Chief	1	1
Community Policing Coordinator	1	1
Confidential Assistant to the Chief	1	1
Detective	1	2
Police Officer	2	0
<b>Total Office of the Chief</b>	<b>6</b>	<b>5</b>
Uniformed Patrol		
Captain	1	1
Lieutenant	4	3

<b>Unit/Position Title</b>	<b>2009 Budget</b>	<b>2010 Proposed</b>
Sergeant	4	6
Corporal	8	8
Police Officer	107	116
Dog Law Enforcement Officer II	1	1
<b>Total Uniformed Patrol</b>	<b>125</b>	<b>135</b>
Technical Services		
Captain	1	1
Technical Services Administrator	1	1
Communications Supervisor (full-time)	4	3
Communications Supervisor (part-time)	0	4
Training/Quality Assurance Supervisor	1	1
Sergeant	1	1
Corporal	1	0
Police Officer	7	3
Record Center Operator IV	3	1
Record Center Operator II	1	1
Record Center Operator I	0	1
Telecommunicator I	3	3
Telecommunicator II	9	10
Telecommunicator III	1	1
Telecommunicator IV	5	3
<b>Total Technical Services</b>	<b>38</b>	<b>34</b>
Criminal Investigations		
Captain	1	1
Lieutenant	1	1
Sergeant	3	3
Corporal	2	2
Detective	23	25
Secretary II	1	1
Secretary I	1	1
Forensic Investigator	4	4
<b>Total Criminal Investigations</b>	<b>36</b>	<b>38</b>
Parking Enforcement		
Administrative Assistant I	1	1
Clerk Typist	1	1
Parking Enforcement Officer II	9	8
Parking Enforcement Officer I	3	4
<b>Total Parking Enforcement</b>	<b>14</b>	<b>14</b>
<b>Total Bureau</b>	<b>219</b>	<b>226</b>
<b>Total Sworn</b>	<b>169</b>	<b>174</b>
<b>Total Civilian</b>	<b>50</b>	<b>52</b>

## **Issue L-1 CompStat Policing Philosophy**

### **Description**

Harrisburg has recently seen an increase in reported crime, especially violent crime. Many police agencies that have implemented the CompStat system have reported a decrease in crime and have attributed that decrease to the use of the CompStat policing approach. Harrisburg does not use the CompStat policing model.

### **Observations and Analysis**

Harrisburg's elected officials are concerned about increasing crime, especially violent crime. The Bureau of Police uses a very traditional patrol operations plan:

- Patrol units are geographically based in sectors.
- Patrol units primarily respond to calls for service.
- Patrol operates more reactively than proactively.

Harrisburg Uniformed Patrol personnel have approximately one-third of their time available for directed patrol activity. The Bureau of Police does not have crime analysis capacity to organize and optimize directed patrol activity. Specific objectives for directed patrol activities are not established based on crime trends and patterns. There is no apparent follow-up and assessment of patrol effectiveness.

### **Recommendations**

**Recommendation L-1.1: Implement the CompStat model of policing in Harrisburg.**

**Recommendation L-1.2: Invest in crime analysis software.**

**Recommendation L-1.3: Authorize a crime analyst position to be added to the personnel complement.**

The CompStat model of policing has been proven effective in reducing crime. However, the model cannot work without timely and accurate intelligence. Crime patterns and trends must be tracked and analyzed on a daily basis and information produced so that tactical operations can be developed to control crime. Without timely intelligence, effective strategies and tactics will not occur.

Production of timely intelligence requires software that aggregates and analyzes crime information and produces information that is then used to develop tactical approaches to the problems identified. The production of that information requires the assignment of responsibility to a specific person or persons within the organization. The person or persons so assigned should have specific analytical skill sets for identifying patterns and trends and then mining data sets to suggest tactics to counter-act and contain the trends and patterns identified.

When timely and accurate intelligence becomes available and is being used to direct patrol activities a systematic follow-up and assessment routine should be implemented within the command structure.

Relentless assessment and follow-up is perhaps the most renowned element of CompStat, but it is no more important than other characteristics. Assessment and follow-up is the accountability factor. Progress against specific objectives is tracked and reviewed on a regularly scheduled basis. The purpose of assessment is not to make or break careers of commanders but to ascertain success or failure of operations. If tactics are successful, after-action analysis identifies new learning and documents how that new learning might be used again in other situations. If tactics are not successful, analysis identifies the obstacles and develops new tactics to attempt.

## **Issue L-2: Authorized Patrol Staffing**

### **Description**

The 2010 Proposed Budget includes ten additional positions for patrol staffing. Every management audit of a police agency must analyze whether the staffing level for patrol operations is adequate. This analysis is carried out by applying a methodology recommended by the International Association of Chiefs of Police (IACP) to the most recent workload level information of the patrol unit. The jurisdiction then selects a standard for time available for directed patrol/officer-initiated activities. A relief factor for actual officer availability after time-off for all types of leave and training is calculated to determine the number of personnel that must be hired to meet the selected standard given the most recent workload data.

### **Observations and Analysis**

The methodology recommended by the IACP to determine patrol staffing needs is to segment patrol unit staff time into three elements: time spent responding to calls for service; time spent on administrative matters such as processing arrests or writing reports; and time spent on directed patrol/officer initiated activities.

In this methodology the primary driver for the analysis is the time spent responding to dispatched calls for service (DCFS). DCFS occurs when there is a call from a resident requesting a response from a patrol unit. This usually takes the form of a telephone call into the central dispatch operation via a 911 call. The time absorbed by DCFS is tracked from the time a unit is dispatched to the time the unit notifies dispatch it is available for another call. If more than one unit is dispatched to a DCFS, the time spent by both units is tracked.

While police agencies have personnel available around the clock, each sworn person works a 40-hour week. Even though they are scheduled for a 40-hour week, sworn personnel are unavailable due to leave time for sick, vacation, military duty, training and other factors. So it is necessary to determine, how many of the scheduled hours a person is actually available to answer a DCFS.

The IACP recommends the standard that 33% of an officer's actual available hours should be used for DCFS and the remaining time allocated equally for administrative duties and directed patrol/officer-initiated activities. The IACP standard is considered by the industry to be the "gold standard;" one that is reached for but, usually due to economic constraints, seldom achieved. However, the application of the IACP standard represents the beginning point, not necessarily the ending point, for patrol staffing analysis.

The Bureau of Police provided data that indicates that in 2008, the most recent year for which aggregated information is available, 55,158 hours were absorbed by DCFS. In 2009 the average per capita leave time was 544 hours.

Applying the IACP standard of allocating one-third of patrol staff time to DCFS indicates that 167,145 patrol staff hours are needed for all activities (55,158 DCFS hours divided by 0.33). On average, each patrol officer is actually available for 1,536 hours (2,080 scheduled hours minus 544 leave hours). Dividing 167,145 required hours by 1,536 individually available hours indicates that 108 officers are needed to achieve the IACP standard for patrol staffing based on 2008 workload and 2009 availability.

The 2010 Proposed Budget includes funding in the patrol unit for 124 officers and corporals. Of those positions, 18 are assigned to non-patrol operations such as school resource officers, housing authority security, traffic control and warrant service, leaving 106 officers and corporals for other operations.

The City is segmented into seven districts. Minimum staffing is one unit per district, two transport vans, and a roving unit that acts as backup for two unit calls for service. Two other officers staff the booking/detention unit around the clock. Thus, of the 106 sworn personnel, 96 are actually available for DCFS. The staffing complement included in the 2010 Proposed Budget would actually achieve a standard of 30% of an officer's time being available for directed patrol compared with the IACP standard of 33%.

Most jurisdictions do not find it financially feasible to staff to the IACP recommended standard. This is also the case for Harrisburg. Table L-3 below shows the staffing level required for various standards for time absorbed responding to DCFS.

**TABLE L-3: ALTERNATIVE PATROL STAFFING LEVELS**

<b>% Time Allocated to DCFS</b>	<b>% Time Allocated to Directed Patrol</b>	<b>% Time Allocated to Administrative Duties</b>	<b>Number of Officers Needed</b>	<b>2010 Number Proposed</b>	<b>2009 Number Authorized</b>
IACP Standard 33%	33.0%	33.0%	108	96	86
Alternate Standard 40%	30.0%	30.0%	90	96	86
Alternate Standard 45%	27.5%	27.5%	80	96	86
Alternate Standard 50%	25.0%	25.0%	72	96	86
Alternate Standard 60%	20.0%	20.0%	60	96	86

The selection of a patrol staffing allocation standard is a policy decision to be made by the Mayor and City Council in the overall context of financial feasibility and the allocation of resources to alternative uses. The overall financial context for Harrisburg, a context of financial emergency, would

indicate that adding positions to the 2010 budget is not sustainable in the short term.

## **Recommendations**

### **Recommendation L-2.1: Reduce authorized sworn personnel in the 2010 Proposed Budget to the 2009 authorized strength.**

The 2010 Proposed Budget increases the number of sworn positions by a net of five, from 169 in 2009 to 174 in 2010. As indicated in Table L-3, the 2009 authorized strength in the Uniformed Patrol Unit would allow for a patrol staffing allocation of between 40% and 45% for responding to DCFS. In turn that would allow between 27% and 30% of patrol time available for directed patrol/officer initiated activity. In our experience with patrol staffing, that allocation of time for directed patrol/officer-initiated activity would be on the higher end of the scale for urban police departments (many of which have less than 20% of time available for directed patrol/officer initiated activity).

The average cost per position for the 2010 Proposed Budget is approximately \$82,000. Eliminating five positions would save approximately \$410,000 a year. The projected General Fund deficit over the next five years, not including debt service, is a cumulative \$15.8 million. Eliminating the five additional positions would save approximately \$2,050,000 and reduce the cumulative deficit to approximately \$13.8 million.

Further analysis of patrol operations indicates that the Bureau of Police could eliminate the five additional sworn positions and still increase the availability of officers for patrol operations, thereby increasing the amount of patrol time available for officer-initiated/directed patrol activities. The method for doing so is known as using "force multipliers."

Force multipliers are operational tactics that allow a police agency to become more effective at fighting crime without entailing dramatic new costs. Police professionals know that using street personnel for directed patrol and officer-initiated activity is the most effective crime reduction tool in their arsenal. Dispatched calls for service often result in nothing more than an officer being able to take a report.

Industry best practice for police agencies in jurisdictions of Harrisburg's size recommends that telephone reporting of minor crimes be an element of operations. The Patrol Unit commander reports that telephone reporting protocols have been developed and were in use for several years. However, as the bureau's budget was reduced in the past, the telephone reporting unit was disbanded. Reinstating telephone reporting would reduce the amount of time that officers spend on DCFS where all they can do is take a report. It would free up that time for the officers to focus on directed patrol/officer-initiated activity.

Data showing the number of calls that would have been diverted to a telephone reporting unit over the past several years was not readily available for review. Consequently, we were not able to empirically evaluate the workload impact of reinstituting a telephone reporting unit. However, based on similar experiences in other jurisdictions we expect that DCFS would be reduced by 25%.

**Recommendation L-2.2: Analyze the workload impact on dispatched calls for service of reinstituting a telephone reporting unit.**

Police agencies strive to find ways to transfer patrol time from less effective uses, such as report writing, to more effective uses such as directed patrol, “be on the lookout for” (BOLOs), or officer-initiated activities such as traffic stops or street interviews. When a healthy amount of officer time is available for directed patrol and officer-initiated activities and an effective CompStat culture is in place, police agencies have found they can reduce crime while remaining affordable in terms of personnel resources. The value of a telephone reporting unit is that it enables a more efficient allocation of sworn personnel time to those activities that are best carried out by officers and diverts sworn personnel time away from activities that do not require police powers.

Harrisburg, like most police agencies, sets priorities for responding to DCFS. Often, low priority calls can wait 30 minutes or more for an officer to be available to respond. When the officer does arrive, often the only action that is appropriate is to take a report. This situation often creates a feeling of hostility toward the police agency and has a negative impact on agency morale. Agencies that use a telephone reporting system have generally found that it is beneficial from a community relations point of view.

Applying industry experience to the workload data that is available for the Harrisburg Bureau of Police indicates a telephone reporting unit would be an economic force multiplier. Harrisburg reports the number of DCFS hours for 2008 was 55,158. If 25% of those DCFS hours were diverted to a telephone reporting unit, 13,790 hours would be freed for other purposes. Since we have determined that an officer is actually available 1,536 hours the time that would be available is the equivalent of nine officers.

Most agencies find a telephone reporting unit is needed primarily during daytime and early nighttime hours, approximately 16 hours a day. Seldom would a call appropriate for a telephone reporting unit occur between midnight and 8 a.m. Many police agencies use light duty sworn personnel to staff the telephone reporting unit, thus incurring no additional cost for the unit. The preferred practice would be to staff the unit with appropriate non-sworn personnel so that operational reliability is high.

As indicated earlier in the report, the Bureau spent 55,160 hours responding to dispatched calls for service in 2008. If 25% of those hours are devoted to telephone reporting unit appropriate calls, 13,790 hours are absorbed responding to calls that could be handled by a telephone reporting unit. Investigating a telephone reporting unit appropriate call for service in the field typically takes 30 minutes of an officer's time. Applying that factor to the number of hours that would be saved indicates that approximately 27,600 calls would be diverted to the telephone reporting unit (13,790 hours at an average of two calls per hour). That averages out to approximately five calls per hour. Experience has shown that the average duration of a report taken by phone is 11 minutes, including data entry. The most effective means of staffing this unit would be to use part-time personnel for 12 hours during each eight-hour shift. This would require 168 hours per week coverage or the approximate equivalent of four full-time employees. Part-time personnel would cost approximately half the cost of a full-time sworn officer. That means that it takes the equivalent of two officers to pay for the cost of a 168-hour telephone reporting unit.

Since the use of a telephone reporting unit is estimated to free the equivalent of nine officers, the number of officers could be reduced by two to cover the cost of the unit and still have the equivalent of seven officers for patrol duty. The City could implement the earlier recommendation of holding sworn personnel at the 2009 level (five fewer than included in the 2010 Proposed Budget) and still experience a net increase of two sworn personnel available for patrol activities at no additional cost.

In addition to implementing a telephone reporting unit, another action could be taken to increase the availability of sworn personnel for officer initiated/directed patrol activities: modify the duties of the Community Policing Power Shift Unit. The primary duty of the Community Policing Power Shift personnel has been described as accompanying Dauphin County Probation/Parole Officers on scheduled home visits to parolees/probationers for security purposes. Management Partners is not aware of any other case where police officers routinely accompany trained probation and parole officers on home visits. We are told that Dauphin County probation and parole officers have arrest powers so other than enhanced security, this practice is not an effective use of personnel resources.

The Community Policing Power Shift unit works from 4 p.m. to midnight but can be deployed tactically at other times of the day. The unit is staffed by five officers whose primary duty is to accompany Dauphin County Probation and Parole Officers on house visits to check on probationers/parolees. This unit also checks bar operations and responds to noise ordinance complaints.

**Recommendation L-2.3: Modify the Community Policing Power Shift Unit's responsibility for providing back up on every Dauphin County probation/parole home visit to providing back up for specific arrest-only events.**

Data was not readily available to determine the number of arrests that result from home visits so it is not possible to empirically determine the impact on workload. In any event, guidelines should be developed so that the Power Shift Unit provides backup only for arrests for specific types of violations or violators, such as violent crimes. The time freed from home visit activities can be used to create a true tactical unit capacity in conjunction with a CompStat policing model that could have a direct role in crime reduction.

Alternatively, a workload analysis could determine how much time has historically been used for home visits. Then a cost analysis could be performed to determine the annual savings that would accrue by reducing personnel an equivalent amount.

**Overview of Impact on Patrol Deployment**

To summarize, reducing the number of sworn personnel included in the 2010 Proposed Budget by five positions to the 2009 level would maintain the authorized sworn complement at 169 and save over \$2,000,000 over the next five years. Implementing a telephone reporting unit could be accomplished at no additional cost and would free the equivalent of two additional sworn personnel for street duties. Modifying the Community Policing Power Shift duties as recommended would free additional time for officer-initiated/directed patrol activity.

## **Issue L-3: Booking and Detention**

### **Description**

Harrisburg has its own booking/detention function that is staffed with two sworn personnel around the clock. The Technical Service Commander reports that Dauphin County is planning on creating a booking/detention facility to serve police departments throughout the County at no fee to the police agency. If and when such a facility opens, Harrisburg should close its booking/detention facility.

### **Observations and Analysis**

Two officers per shift around the clock equates to nine personnel needed to staff the booking/detention function. The average cost of a police officer is approximately \$82,000 per year for salary and benefits. Turning over the booking/detention function to Dauphin County would save in excess of \$700,000 a year. Alternatively, these nine positions could be reassigned to uniformed patrol, allowing the Police Bureau to meet IACP standards for patrol staffing when implemented in conjunction with a telephone reporting system.

### **Recommendation**

**Recommendation L-3: Turn over booking and detention operations to Dauphin County if and when such a facility is implemented by the County.**

In addition to the potential cost savings or additional street strength gained at no additional cost, using a County facility relieves the City of any potential liability attendant to the operation of the detention facility. It would also free space that could be used for another purpose.

## **Issue L-4: False Alarm Policy**

### **Description**

Data supplied by the Police Bureau indicates that in 2008 the uniformed patrol unit responded to 1,306 alarms of which 1,276 (97%) were false/malfunction alarms. The high incidence of false alarms is typical in the industry and constitutes a sub-optimized use of personnel resources.

### **Observations and Analysis**

Industry experience for false alarm responses indicates that it typically takes 30 minutes to clear a false alarm. That means that the Police Bureau consumed approximately 638 hours in 2008 responding to false alarms. The average cost of a patrol officer, including benefits, is \$82,000 a year. Based on that cost, the bureau used nearly \$25,000 and the DCFS available response time of one officer for false alarms.

In addition to the time spent by sworn personnel dealing with false alarms, civilian staff in the City administer the false alarm ordinance. Typically, with all the exemptions for false alarms, the cost of administration is higher than the amount collected. Although data was not available to determine this issue, there is broad experience in jurisdictions we have studied to support this conclusion.

Of more import than the financial aspects of this issue are concerns about officer safety and the most effective use of patrol staff time. Despite training and emphasis, officers are being conditioned to respond to an alarm call believing it to be false since 97% are just that. This could easily result in a relaxed state of mind that could have undesirable consequences in the very rare cases when the alarm is not false. In addition, officers respond in emergency mode to alarm calls, placing themselves and the public at higher risk than necessary for a vehicular accident.

### **Recommendations**

**Recommendation L-4.1: Modify the policy for responding to alarm calls by requiring alarm companies to clear alarm calls prior to police response.**

**Recommendation L-4.2: Bill alarm companies rather than users for false alarms.**

Most alarm systems are installed by private companies and customers pay a monthly fee for the service. The product that is of value in this transaction is not the alarm or the alarm company but the police response. Without the response there is no value. The objective from an effective and efficient policing point of view should be to reduce the

number of alarms to those that are real or, alternatively, to reduce the number of responses.

Many police agencies are implementing protocols that require the company that provides the alarm to “clear” the alarm before there is a police response. That means that the company is responsible for assuring that the alarm is not false. In addition, many police agencies are changing their billing practice so that the false alarms are billed to the company that provides the alarm system rather than the alarm user. This not only makes billing easier, it also provides an economic incentive for the alarm company to reduce the number of false alarms, the ultimate goal of any policy regarding alarm calls.

## **Issue L-5: Cost of School Resource Officers**

### **Description**

Six school resource officers are assigned to the Harrisburg schools during the school year. In 2008, the budget indicates that the City was not reimbursed by the School District for the cost of these personnel. Similarly, the 2009 budget indicates that there is no reimbursement from the School District for these positions. However, in 2006 and 2007, the budget documents indicate that the School District reimbursed the City significant amounts for public safety services.

### **Observations and Analysis**

The 2010 proposed budget includes a reimbursement of \$350,000 from the school district for public safety services. In order to allow the School District as well as the City to have more predictability regarding who pays for the cost of school resource officers, a contractual relationship between the parties should be developed.

### **Recommendation**

**Recommendation L-5: Develop a contractual relationship with the School District that defines financial responsibilities for the school resource officer program.**

School resource officer programs in which police officers are assigned security duties in schools are common throughout the country, especially in urban school districts. However, there is not a uniform practice as to which entity pays the bill for such programs. In some cases, the school district pays the cost by reimbursing the City. In other cases, the City foots the bill. As described above, in Harrisburg the issue has been situational with the School District paying the cost in some years and in other years not making a payment.

The decision as to whether to charge the School District for public safety service is a policy decision to be made by the Mayor and City Council. The financial model used for this project assumes that the School District will continue to reimburse Harrisburg at the rate of \$350,000 a year for public safety services it provides. If the School District is not required to make payment for public safety services the \$15.8 million cumulative General Fund deficit would be increased by \$1,750,000.

## **Issue L-6: Criminal Investigation Unit Staffing**

### **Description**

Staffing for the Criminal Investigation Unit (CIU) is not established based on a specified or objective methodology. Workload-related staffing methodologies are recommended for services for which the industry has not developed national standards.

### **Observations and Analysis**

For those police operations that do not have national standards for staffing it is generally because the common industry wisdom is that local priorities and community values are deemed to be the most important variables to use in allocating resources to these operations. Since national objective standards are not readily available for certain operations such as criminal investigation, traffic safety and others, Management Partners has developed a methodology for establishing workload-based staffing standards that can be adapted to local priorities. This provides a basis for Harrisburg managers and elected officials to bring an objective basis to staffing that takes into account community values.

The first step in this methodology is to determine a primary workload indicator for the unit. In an investigative unit that workload indicator should be "cases assigned." After determining the workload indicator, an operations standard should be developed and agreed upon with regard to the workload indicator. An operations standard is a statement regarding the quality of service target related to the workload indicator. For example in an investigative unit the standard might be: "Clear X% of assigned cases within 30 days."

The next step in the methodology is to determine the average number of labor hours consumed per workload indicator. This is calculated by dividing the number of labor hours consumed for that workload indicator by the workload count.

The next step is determining the projected workload hours by multiplying the average number of hours consumed for that indicator by the most recent five-year average of annual workload.

The next step is to calculate the full-time equivalent (FTE) personnel requirement for each workload indicator by dividing the projected workload hours for the indicator by the net labor hours available per position. The net labor hours available per position is a department-wide calculation and is noted earlier in this report to total 1,536 hours per person on average.

The final step is to determine the total number of personnel needed per unit by adding the total number of FTE personnel requirements by workload indicator for all types of workload assigned to the unit.

Attachment B provides an example of how to apply this methodology.

### **Recommendations**

#### **Recommendation L-6.1: Adopt a workload-based staffing protocol to objectively determine unit staffing levels for Criminal Investigation Division units.**

Using the protocol detailed above will necessitate gathering workload data and using a simple labor distribution/tracking system. Data that must be gathered follows:

- Number of labor hours consumed, by workload type.
- Annual workload count for each indicator each year for the most recent five-year period.
- Net available work hours per position.

Currently, the bureau does not gather data in the manner specified above. Appropriate technology should be installed so that the data needed can be entered, tracked and automatically generated through information technology that is user-friendly and universally available in the bureau.

#### **Recommendation L-6.2: Develop and install appropriate software to electronically track and store data needed for the workload-based staffing protocol.**

Since data is not available at this time to apply the recommended methodology, Management Partners has used an alternate methodology to establish a pure workload standard: average monthly caseload per investigator. This indicator is used in our analysis and should be used by Harrisburg until actual data based on labor hours can be applied.

The Criminal Investigations Unit is commanded by a Captain, assisted by a Lieutenant and consists of five sections with sworn personnel allocations as shown in the following table.

**TABLE L-4: CRIMINAL INVESTIGATION UNIT 2010 PROPOSED STAFFING**

<b>Unit/Rank</b>	<b>Capt.</b>	<b>Lt.</b>	<b>Sgt.</b>	<b>Corp.</b>	<b>Det.</b>	<b>Total</b>
Unit Commander	1	1	0	0	0	2
Adult Offender	0	0	1	2	12	15
Arson	0	0	0	0	1	1
Vice	0	0	1	0	4	5
Domestic Violence	0	0	0	0	1	1
Juvenile	0	0	1	0	7	8
Total	1	1	3	2	25	32

### **Adult Offender Unit**

This section is responsible for investigating all murders and other crimes committed by persons 18 years or older except those assigned to specialty units. This unit also reviews the records of all persons arrested to determine whether they meet the criteria to be classified as a habitual offender. If the arrestee qualifies, detectives in this unit work with the District Attorney's office to assure that the offender receives the maximum bail, sentence and/or fine allowable by law. This unit also investigates all auto thefts in the City.

While there are no definitive national standards for caseload or average hours per case for the types of investigations assigned to this unit, some of Management Partners' other clients use a benchmark of an average caseload of 30 per month per detective. Using the number of cases assigned per month is one of the more widely used workload indicators in the industry and is an objective way to measure workload.

#### **Recommendation L-6.3: Use the average number of cases per detective per month as the primary workload indicator for the Adult Offender Unit.**

The unit should develop an operations standard that relates to that workload indicator. The recommended operations standard is: "Clear X% of cases assigned for investigation within 30 days of assignment. Cases not cleared within X days will be closed." The target value for percent of cases cleared should be established at or above the national average for case clearance. If actual performance regarding case clearance falls substantially below national average, the department should review the protocol it is using for determining case solvability.

New cases are screened by the unit's sergeant for solvability factors. Those that meet the solvability test are assigned to a detective for investigation. All violent and high profile cases are assigned irrespective of solvability.

Table L-5 shows workload data for the Adult Offender Unit for 2007 and 2008 as reported in the Bureau's 2008 Annual Report.

**TABLE L-5: ADULT OFFENDER UNIT WORKLOAD 2007 AND 2008**

<b>Year</b>	<b>Number of Detectives and Corporals</b>	<b>New Cases</b>	<b>Pending Cases</b>	<b>Total Caseload</b>	<b>Average Monthly Caseload Per Detective</b>	<b>Clearance Rate*</b>
2007	14	1,815	150	1,965	12	68%
2008	14	1,816	127	1,943	12	54%
Average	14	1,816	139	1,816	12	61%

\*Does not include cases cleared administratively

Table L-5 indicates what is, in Management Partners' experience, a relatively low average monthly caseload per detective but an above average clearance rate. Applying the rule of thumb of an average of 30 cases per month, the number of detectives/corporals needed is five, a difference of nine investigators.

**Recommendation L-6.4: Base the Adult Offender Unit's staffing level standard on an average of 30 new cases assigned per detective per month.**

The number of detectives assigned to this unit is a policy decision for the Mayor and Police Chief that should be made in the context of workload, effectiveness, and the overall financial condition of the City. Harrisburg is in a financially stressed circumstance. The average cost of an investigator is approximately \$82,000 a year. Reducing the number of investigators in this unit by nine positions would save approximately \$738,000 annually. That would reduce the projected \$15.8 million projected five-year deficit by \$3,690,000.

***Juvenile Unit***

This unit is responsible for investigating incidents where the person involved is under 18 years of age (unless the incident is assigned to a specialty unit). The Juvenile Unit is supervised by a sergeant and has seven detectives assigned.

While there are no definitive national standards for caseload or average hours per case for the types of investigations assigned to this unit, some of Management Partners' other clients use a benchmark of an average caseload of 30 per month per detective. Using the number of cases assigned per month is one of the more widely used workload indicators in the industry and is an objective way to measure workload.

**Recommendation L-6.5: Use the average number of cases per detective per month as the primary workload indicator for the Juvenile Unit.**

The unit should develop an operations standard that relates to that workload indicator. The recommended operations standard is: "Clear X% of cases assigned for investigation within 30 days of assignment. Cases not cleared within X days will be closed." The target value for percent of cases cleared should be established at or above the national average for case clearance.

If actual case clearance performance falls substantially below the national average, the department should review the protocol it is using for determining case solvability.

New cases are screened by the unit's sergeant for solvability factors. Those that meet the solvability test are assigned to a detective for

investigation. All violent and high profile cases are assigned irrespective of solvability.

Table L-6 displays the unit's workload information for 2007 and 2008 as shown in the bureau's 2008 Annual Report.

**TABLE L-6: JUVENILE UNIT WORKLOAD 2007 AND 2008**

Year	# of Detectives	New Cases	Pending Cases	Total Caseload	Average Monthly Caseload Per Detective	Clearance Rate*
2007	7	797	80	877	11	46%
2008	7	691	74	765	9	48%
Average	7	744	77	821	10	47%

\*Does not include cases cleared administratively

Table L-6 above indicates a relatively low average monthly caseload per detective and an average clearance rate. Applying the rule of thumb of an average of 30 cases per month, the number of detectives needed is three, a difference of four positions.

**Recommendation L-6.6: Base the Juvenile Unit staffing level standard on an average of 30 new cases assigned per detective per month.**

The number of detectives assigned to this unit is a policy decision for the Mayor and Police Chief that should be made in the context of workload, effectiveness, and the overall financial condition of the City. Harrisburg is in a financially stressed circumstance. The average cost of a detective is approximately \$82,000 a year. Reducing the number of detectives in this unit by four positions would save approximately \$328,000 annually. That would reduce the projected \$15.8 million projected five-year deficit by \$1,640,000.

## **Issue L-7: Communications Center Staffing Levels**

### **Description**

According to information provided by the Police Department, the Communications Center expends considerable overtime hours ensuring that each shift is staffed with two call-takers and two dispatchers. However, information provided by the department regarding call volume does not indicate a need to staff more than one call-taker and one dispatcher per shift.

### **Observations and Analysis**

The Communications Center operates using an eight-hour shift schedule with three shifts: 7:00 a.m. to 3:00 p.m., 3:00 p.m. to 11:00 p.m. and 11:00 p.m. to 7:00 a.m. Day shifts are staffed with two call-takers, two dispatchers and one shift supervisor. The night shift is staffed with three telecommunicators. Shift supervisors report directly to the quality assurance/training officer, who also serves as the Communications Division Terminal Area Coordinator (TAC Officer). Communications Center personnel are cross-trained to provide both call-taking and dispatching services.

Call-takers field 9-1-1 and 3-1-1 (Police Department administrative line) calls for the City while dispatchers dispatch emergency calls to police personnel. Dispatchers utilize one primary dispatch channel for police calls, however, they oversee three additional channels that are activated for special operations and/or officer-to-officer communication. Both call-takers and dispatchers also staff the customer service window in the lobby of the Police Department. In addition, Communications Center personnel also monitor residential and commercial alarms, dispatching police personnel as appropriate.

According to information provided by Communications Center personnel, the average call-taker fields between 100 and 150 calls per shift. Call volume data for 2009, as cited in the proposed 2010 budget document, indicates that the average *total* number of calls per shift is approximately 155, indicating that each call-taker fields an average of approximately 78 calls per shift.

For this analysis, we have chosen to apply the conservative estimates and assume each call-taker fields an average of 150 calls per shift, which equates to an average of 19 calls per hour per call-taker. While data regarding the average length per call in Harrisburg was unavailable, Management Partners' experience with several communications centers across the country indicates that the average call lasts approximately 30 seconds.

Applying this data to the volume estimates provided by the Harrisburg Communications Center suggests that, on average, a call-taker absorbs approximately 9.5 minutes of each hour answering calls for service. In

other words, each of the two call-takers staffed during day shifts absorb an average total of 19 minutes per hour answering calls for service.

National workload standards exist to indicate how many minutes per hour a call-taker or dispatcher can be engaged in call taking or dispatching activities before work “overload” is experienced. The Association for Public Safety Communication Officials (APCO) standard for call-taker and dispatcher overload is 18 minutes per hour.

Applying the APCO standard to the Harrisburg Communications Center indicates that only one designated call-taker is necessary on a given shift. Currently, during the day shifts, two call-takers are staffed.

In general, the number of dispatchers required to meet minimum staffing requirements is related to the number of radio channels that dispatchers must serve at any one time. Dispatchers in Harrisburg are responsible for managing one primary dispatch channel for police calls. They also oversee three additional channels that are activated for special operations and/or officer to officer communication. While the additional channels do not require the level of constant oversight as the primary dispatch channel, there is still a need to staff two dispatchers per shift. This allows the second dispatcher to serve as a back-up call-taker during peak workload times, monitor the additional dispatch channels, and staff the police department customer service window. The shift supervisor, by serving as a working supervisor, will also be available to assist with dispatching and customer service responsibilities.

The current staffing plan requires that a total of 14 positions be staffed to meet staffing targets. Under the proposed plan, only 12 positions would need to be staffed. Table L-7 compares the current and proposed staffing plan.

**TABLE L-7: PROPOSED COMMUNICATIONS CENTER STAFFING PLAN**

	Current			Proposed		
	Staff	Supervisor	Total	Staff	Supervisor	Total
7:00 am to 3:00 pm	4	1	5	3	1	4
3:00 pm to 11:00 pm	4	1	5	3	1	4
11:00 pm to 7:00 am	3	1	4	3	1	4
Total			14			12

While the targeted total staffing is 12 FTE, including supervisors, it is necessary to hire more than 12 employees to ensure that each position is staffed 24 hours per day seven days per week.

The average eight-hour employee is scheduled to work approximately 2,080 hours per year. However, due to various forms of leave such as vacation and sick time, the average employee is actually available to work fewer than 2,080 hours per year. To ensure that positions are fully

staffed, it is necessary to calculate a relief factor. The relief factor formula is summarized below:

$$\text{Communications: Relief Factor} = \frac{\text{Annual Scheduled Hours}}{(\text{Annual Scheduled Hours} - \text{Accumulate Leave Hours})}$$

According to data provided by the City, the average Communication Center employee expends approximately 400 hours per year of leave time, which indicates that the average employee is actually available work 1,680 hours per year (2,080 less 400). This equates to a relief factor of 1.23 which means that in order to staff one position 24 hours per day, seven days per week, 1.23 positions must be hired. Applying these factors indicates that the Communications Center needs approximately 5.4 FTE per shift, or a total of 15 FTE. Current telecommunicator staffing, including supervisors, is 19 FTE. The calculations are summarized in Table L-8.

**TABLE L-8: COMMUNICATIONS CENTER RELIEF FACTOR CALCULATIONS**

	Staff	Supervisor	Total	Relief Factor	Total Staffing Need per Shift
7:00 am to 3:00 pm	3	1	4	1.23	4.92
3:00 pm to 11:00 pm	3	1	4	1.23	4.92
11:00 pm to 7:00 am	3	1	4	1.23	4.92
Total			12		14.76

### **Recommendation**

#### **Recommendation L7: Revise minimum staffing targets for each shift from two call-takers to one.**

This will result in a decrease of three FTE and will reduce overtime expenditures by eliminating the need to call back employees to staff up each shift. Implementation will result in an annual salary and benefit savings of \$208,000 per year.

## **Issue L-8: Communications Center Equipment**

### **Description**

The Communications Center is operating with outdated and, in many cases, faulty equipment. The CAD system is over 15 years old, office furniture is literally being held together with duct tape, and core data collection and reporting systems are inoperable. A considerable investment will be required to upgrade the Communications Center. Updating a CAD system alone can run as high as \$1,000,000. The gravity of the upgrade expense is exacerbated by the City's pressing financial situation.

### **Observations and Analysis**

Dauphin County is the designated public safety answering point for the County. Not only does Dauphin County provide emergency call-taking and dispatching services for several jurisdictions in Dauphin County, but it provides emergency communications for the Harrisburg Fire Department.

An opportunity exists to realize considerable economies of scale by fully consolidating the Harrisburg emergency communications function with the Dauphin County emergency communications function, thereby eliminating an obvious duplication of service.

While a detailed analysis of the associated cost savings is outside the scope of this study, the common national experience with communications center consolidations indicates that a merger offers the opportunity to realize both staffing efficiencies and capital cost avoidance. Moreover, these benefits would be realized by both the City and the County, which incentives cooperation despite the strained relationship between the City and County.

### **Recommendation**

**Recommendation L-8: Enter into discussions with Dauphin County to evaluate the feasibility of emergency communications center merger.**

Management Partners recognizes that the relationship between the City and County has been strained of late. However, the potential cost saving opportunities that may be realized through an emergency communications merger are compelling. Conservatively, consolidation could produce an annual savings exceeding \$500,000 per year.

## **Issue L-9: Parking Enforcement Unit Permitting Program**

### **Description**

The City's permitting program is managed manually. There are no electronic/web-based mechanisms that allow residents to renew permits or pay parking tickets online. Moreover, when residents attempt to pay parking tickets or renew permits in person, they must pay at the Operations and Revenue Division counter (City Treasurer) and then physically carry a receipt to the Parking Enforcement Office.

### **Observations and Analysis**

Administrative staff from the Parking Enforcement Unit manages the residential and handicap permitting program. These permitting programs exist to enable residents (who meet certain requirements) to obtain permits to park in streets or parking spaces with parking restrictions. Each year, permit renewal forms are mailed to those who obtained permits the previous year. Residents must complete a hard copy of the application and either mail a check or money order to the City or pay in person. A resident must follow the same process to pay parking tickets. They must either mail in the funds or make the trip to the municipal center to pay the tickets in person. Customer service can be improved by instituting a web-based payment platform for parking tickets and permits.

Should a resident find it necessary to pay a permit fee or fine in person, they must pay at the City Treasurer's Office and then physically transport the receipt to the parking enforcement office, which is located in a different part of the municipal building. This process is at least partly in place because administrative staff in the Parking Enforcement Office are not trained to accept payments and reconcile receipts on a daily basis.

While it is logical for parking enforcement to be organized under the Police Department, it is not necessary for the Parking Enforcement Unit's administrative personnel to be located separately from City Treasurer personnel. Training the parking enforcement staff to accept money and co-locating them with the Treasurer's Office will improve customer service and allow for better coordination between the two units.

### **Recommendations**

**Recommendation L-9.1: Institute an electronic payment processing platform for parking permits and tickets.**

**Recommendation L-9.2: Co-locate parking enforcement administrative personnel with the Treasurer's Office.**

Implementation will result in more efficient payment processing and a clear improvement in customer service.

## **Issue L-10: Parking Enforcement Unit Hours of Operation**

### **Description**

Parking enforcement personnel finish work by 4:00 p.m. Parking restrictions are active until at least 5:00 p.m. and, in the case of residential and handicap parking, 24 hours per day.

### **Observations and Analysis**

The 2010 Proposed Budget includes funding for an additional parking enforcement officer. It is simply good management to schedule parking enforcement activity to correlate with the hours when parking restrictions are in place. The lack of enforcement between the hours of 4:00 p.m. and 5:00 p.m. leaves a time when parking restrictions are in place with no system of enforcement.

### **Recommendation**

**Recommendation L-10: Develop a staggered parking enforcement shift schedule that covers all hours when parking restrictions are in place.**

Implementation will ensure that parking restrictions are fully enforced. In addition, increased enforcement between the hours of 4:00 and 5:00 p.m. (rush hour) will help decongest traffic where rush-hour parking restrictions are in place.

## Issue L-11: Parking Enforcement Unit Productivity

### Description

The average productivity of parking enforcement officers declined from 2008 to 2009.

### Observations and Analysis

Data available in the proposed 2010 Budget Document and the Police Department's 2008 annual report demonstrates that the productivity of Parking Enforcement personnel has been declining. In 2008, the average parking enforcement officer generated over \$130,000 in parking ticket revenue per year. In 2009, that number dropped to \$100,000. The average number of tickets issued per officer per day dropped from 43 in 2008 to 36 in 2009. Table L-9 demonstrates these trends.

**TABLE L-9: PARKING ENFORCEMENT TRENDS**

	<b>2008</b>	<b>2009 Est.</b>
Total Annual Parking Ticket Revenue	1,306,260	1,100,000
Number of Parking Enforcement Officers	10	10
Average Number of Shifts per Officer (260 shifts per year less 15 shifts of leave time)	245	245
Total Number of Parking Tickets Issued	104,380	89,000
<b><i>Average Ticket Revenue per Year per Officer</i></b>	<b>\$130,626</b>	<b>\$110,000</b>
<b><i>Average Ticket Revenue per Shift per Officer</i></b>	<b>\$533</b>	<b>\$363</b>
<b><i>Average Number of Tickets Issued Per Officer per Day</i></b>	<b>43</b>	<b>36</b>

At first look, this data may suggest that the unit's enforcement efforts are proving effective and that Harrisburg residents are less likely to abuse parking restrictions. The data may also indicate that parking enforcement has become less aggressive. Unfortunately, due to the lack of non-parking ticket related performance metrics (e.g., number of meters inspected per day), Management Partners is unable to assess whether productivity is declining or enforcement efforts are working. Implementing a more comprehensive set of performance metrics will enable the City to objectively assess the effectiveness of the enforcement program.

Table L-10 demonstrates several of the performance measures that, if tracked in the future, will help the City assess the effectiveness of the parking enforcement program.

**TABLE L-10: SAMPLE PERFORMANCE MEASURES FOR PARKING ENFORCEMENT PROGRAMS**

Efficiency Measure	Percent of enforcement routes completed within one hour
Effectiveness Measure	Cost per ticket issued Number of meters inspected per officer per day Number of tickets issued per officer per day
Workload Measure	Number of meters inspected Number of routes completed

**Recommendation**

**Recommendation L-11: Develop a comprehensive set of performance metrics for the Parking Enforcement Unit.**

Implementation will enable a more effective assessment of program effectiveness and will enable to city to more quantitatively analyze staffing needs in the unit.

## **Issue L-12: Records Retention and Management**

### **Description**

The Records Unit, as well as the other civilian units of the Technical Services Division are inundated with boxes of records. In each office visited by Management Partners' staff, records are stacked in boxes to heights as high as six feet.

### **Observations and Analysis**

The issue is caused by both a lack of available storage space and overly conservative records retention policies. Certainly, police records are mandated by law to be kept for a specific period of time, usually linked to the statute of limitations. However, in Harrisburg, many records are kept past the time even required by law. Fortunately, the department has recently engaged in a records management modernization process. Through grant funding, the department is in the process of converting its police records into electronic files and destroying files that do not need to be retained. The department is also developing a process to ensure that all future records are kept electronically.

However, there are many sets of hard files that will still need to be maintained. Moreover, there is still ambiguity as to how long other records, such as permit parking records, should be maintained before being destroyed.

### **Recommendations**

**Recommendation L-12.1: Revise the records retention policy and process for Technical Services Division records that eliminates superfluous recordkeeping and enables electronic records access.**

**Recommendation L-12.2: Purchase off-site storage space for all physical files that must be maintained for specified periods of time but can be assessed electronically.**

Implementation will eliminate unnecessary records retention processes, freeing up staff to complete other duties, and will reduce records storage costs. Implementation will free up storage space in the Police Department building, which is short supply.

## **M. PUBLIC WORKS – WATER BUREAU**

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The Water Bureau is responsible for operating and maintaining the Harrisburg water system, which provides water to the residents and businesses within the City limits and portions of the Borough of Penbrook and Susquehanna, Swatara, and Lower Paxton Townships. Harrisburg has approximately 22,000 service accounts (20,980 in calendar year 2008) and provides water for a population of 66,000. The bureau operates and maintains the Dr. Robert E. Young Water Services Center, the DeHart Reservoir, two reservoirs to store finished water, plus over 250 miles of mains (with sizes ranging from 4 to 42 inches), 1,690 fire hydrants, and 3,540 valves. The approved 2009 budget included 34.33 employees and an annual operating budget of \$18.7 million.

There are three divisions in the Bureau of Water: Administration, Operations/Maintenance and Distribution. The Administration Division oversees all aspects of the bureau, ensures water quality, monitors and provides reports as required by federal, state, and local laws, performs bacterial testing and is responsible for public information about the system. The Operations/Maintenance Division operates the DeHart Dam facilities, Susquehanna River intake and pump station, Water Services Center, Upper and Lower Reservoir storage facilities, pumping station and booster station. This division is also responsible for patrolling the DeHart watershed, water quality at the DeHart Reservoir and maintenance of all buildings and equipment.

The Distribution Division maintains all the water transmission and distribution mains, valves, fire hydrants and water meters. It is also responsible for all underground locations for water and sewer (Pennsylvania One-Call), taps and metering. Figure M-1 shows the current organizational structure.

**FIGURE M-1: BUREAU OF WATER ORGANIZATION STRUCTURE,**

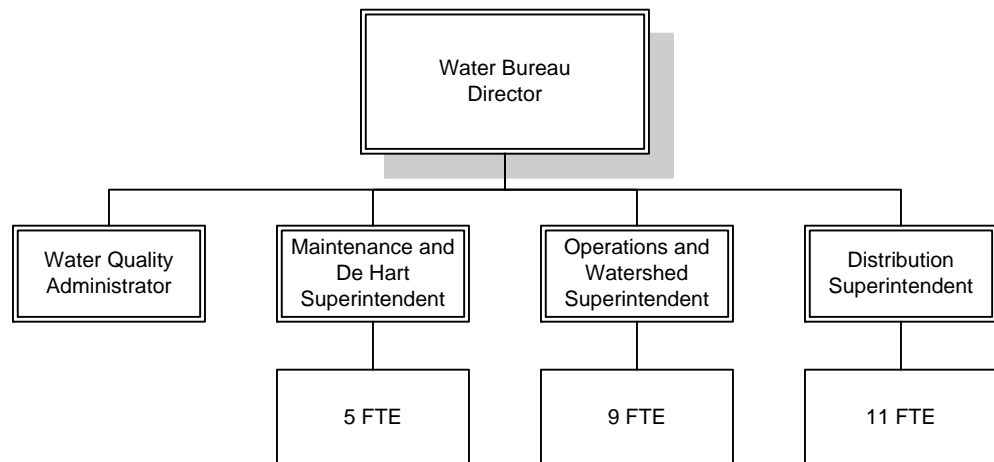


Table M-1 summarizes the Water Utility's budget history.

**TABLE M-1: WATER UTILITY BUDGET HISTORY**

	2006 Actual	2007 Actual	2008 Actual	2009 Estimate	2010 Proposed
<b>Water Utility</b>					
Personal Services	\$2,026,279	\$2,097,556	\$2,070,735	\$2,046,521	\$2,140,072
Operating Expenses	\$6,489,321	\$6,866,969	\$6,976,887	\$7,117,294	\$7,158,879
Capital Outlay	\$230,942	\$130,122	\$200,119	268,581	\$428,983
Debt Service	\$7,591,003	\$8,169,638	\$0	9,199,563	\$13,176,372
<b>Total</b>	<b>\$16,337,546</b>	<b>\$17,264,284</b>	<b>\$9,247,741</b>	<b>\$18,631,959</b>	<b>\$22,904,306</b>

## **Issue M-1: Administrative Staffing**

### **Description**

The Bureau Director oversees the Administration Division. The Operations and Distribution Divisions are both managed by a Superintendent that reports to the Water Bureau Director. The Superintendents both oversee large divisions.

### **Observations and Analysis**

The Maintenance and DeHart Superintendent oversees a small division. This position is responsible for maintenance for the entire bureau plus the land surrounding DeHart. The Operations Superintendent/Watershed Manager is responsible for the water plant operations, including DeHart.

The FY 2009 budget states, "In the 2009 Proposed Budget a Maintenance/Dehart Supervisor was added and a Watershead [sic] Superintendent and Administrative Assistant were deleted from the Administration Division." It appears that this position, filled from within, was filled at a superintendent rather than a supervisor level position. Additionally, it appears that for a number of years, operations and maintenance were in the same division and overseen by the same superintendent. This additional management position added in 2009 was done at the same time that two plant operator positions were eliminated, lowering the number of staff reporting to the Operations Superintendent from 11 to 9.

### **Recommendation**

**Recommendation M-1: Eliminate the Maintenance/DeHart Superintendent position and combine the duties of maintenance and operations into the Operations Division.**

## **Issue M-2: Maintenance and Testing of Susquehanna River Connection**

### **Description**

The City's secondary water source is the Susquehanna River. The connection needs to be maintained regularly and routinely tested so it can be utilized when needed.

### **Observations and Analysis**

According to staff, the Susquehanna River connection has not been utilized or tested in over five years. The City has two water sources (DeHart Reservoir and the Susquehanna River) and five interconnections with United Water, Inc. If the Susquehanna River water source were needed, it is critical that all systems be operable. The valves and all aspects of the system should be tested and maintained so that any problems are identified during preventative maintenance when it is not in use.

### **Recommendation**

**Recommendation M-2: Implement a regular testing process to ensure the Susquehanna River water source is operationally ready and can be used when emergencies arise.** Every element of this source should be included in the testing process.

## **Issue M-3: DeHart Reservoir Property**

### **Description**

The DeHart Reservoir is surrounded by 8,200 acres of land owned by The Harrisburg Authority. City staff maintains and patrols this area. Two residential houses are on the property, which staff utilizes as places of residence. There is no charge for this usage and no written guideline for its use.

### **Observations and Analysis**

The DeHart Reservoir is located 20 miles northeast of Harrisburg. It has capacity for over 6 billion gallons of water and has a dependable 10.5 MGD yield. The reservoir has a Control Building, which allows the City to add chlorine, soda ash and potassium permanganate as needed. A 42-inch transmission line brings the water from the DeHart Reservoir into the City and a 24 inch line brings it to the Dr. Robert E. Young Water Services Center. A secondary water source is the Susquehanna River, which brings water to the Water Services Center.

The Harrisburg Authority owns the 8,200 acres surrounding the reservoir. The Authority allows some hunting on the property and a state conservation area adjoins the Authority land.

Two staff members currently live in two houses located on the DeHart Reservoir property. The first is the Maintenance/ DeHart Superintendent. This position's duties include patrolling the watershed for one to two hours daily. Another staff member also patrols the watershed and has duties including cleaning the baffles at the intake and monitoring the streams that feed into the watershed.

The Operations Superintendent/Watershed Manager occupies the second house . There is a residency agreement that outlines what is required of these two positions in exchange for living in these homes. There is no rent charged to either tenant. Both employees note that they try to make sure that one of them is always there to try to keep a presence 24/7 every day of the year.

Other issues that need to be further examined include evaluating the City's liability coverage and exposure for accidents or other events at these homes. It should also be determined if two homes are needed and worth the maintenance costs or if there is any better use for the second house. It is not a best practice to allow employees to live in government facilities without paying fair market rent and without written requirements.

### **Recommendations**

**Recommendation M-3.1: Charge fair market value for rent to the tenants of the two houses at DeHart Reservoir.**

There is concern for the safety at the DeHart Reservoir as the City's primary water source. However, it is not possible for one (or even two) staff members to prevent persons getting onto the land. Technology should be utilized to decrease this risk and reduce personnel costs.

**Recommendation M-3.2: Improve passive security for the reservoir area, including examining and securing access points and adding security cameras in key places.**

The conservation area lands represent a major asset that has value well beyond its current use. Given the debt issues confronting the Harrisburg Authority, sale of this asset (perhaps to the Commonwealth) should be considered.

**Recommendation M-3.3: Evaluate the potential of the sale of this asset as part of the City's plan to address outstanding debt obligations.**

## **Issue M-4: Water Distribution**

### **Description**

There are over 250 miles of water mains in the City of Harrisburg and there is currently no evaluation system of their condition, systematic replacement program, or annual funding for replacement. The staff of the water system report that there used to be an annual replacement program (replacing ductile iron approximately one mile per year) but no such program currently exists. The system has pipes dating from the 1800s and most mains are in need of replacement. This year two mains were replaced. There is no data on the cause of main breaks, but the staff is building a database starting with two years of manual entries in a log book.

### **Observations and Analysis**

A key to keeping the water system viable over time is to understand the condition of the water system's assets, including the water meters, valves, mains, equipment, water plant and reservoirs. By understanding the age and condition of all the assets, it is possible to create a better plan for replacing items over a multi-year timeframe. This makes it easier to determine the system's long-term capital cost and also helps determine when and the amount of rate increases needed to sustain the system.

- There are over 250 miles of water mains under the purview of the Water Bureau. There is no systematic water line replacement program even though some mains are over 100 years old. There is currently little data collected on water main breaks and no systematic assessment of water mains for replacement. Age, maintenance and repair data should be collected and placed on GIS so that this information can be used to assess where mains should be replaced and can be better coordinated with sewer line replacement and street repaving projects.
- The current radio read water meters are approaching the end of their expected life, which is 10 to 15 years per the American Water Works Association (AWWA). Water meters can be damaged and deteriorate with age. Meters tend to slow down with age and need to be replaced so as not to lose revenue associated with aging and malfunctioning meters.

The AWWA recommends that meters in service be tested, on average, as follows:

Meter sizes 5/8 inch to 1 inch:	Every 10 years
Meter sizes 1 inch to 4 inches:	Every 5 years
Meter sizes 4 inches and larger:	Every year

They also need to be calibrated to ensure they are working properly. The annual report notes that only five were calibrated in 2007, one in 2008, and five are estimated for 2009. There is no information provided on meter testing.

- There are over 3,500 valves in the water distribution system. There is currently no program by which they are routinely exercised and tested for functionality. The workload measures reported indicate that five or fewer valves were replaced and repaired in each year from 2005 through the current year. This is a weakness in the system and will result in expensive and time-consuming repairs in the years ahead. Air release valves protect water mains from water hammer, which occurs when water flowing in the pipe is forced to stop or change direction suddenly. Water hammer commonly occurs when a valve is closed suddenly or a pump stops abruptly and a pressure wave propagates in the pipe, which can cause pipes to break. New valves should be sized to accommodate increased flow to support any future development. By examining and testing valves on a regular program, the City can replace nonfunctioning valves before they become more costly repair items.
- The current water meter program has a large number of cutoffs that occur two times per week. There is little preventive maintenance done. There is no replacement program and the meters are nearing the end of their useful life. Water shutoffs are high (almost 1,900 reported expected for 2009) and are very time-consuming for the distribution staff. Cutoffs are done on both Tuesdays and Thursdays and take up most of the staff's capacity, which would otherwise be used for repairs, valve repair and replacement, and general maintenance of the system.
- In the Water Distribution Division, there is one superintendent and there are 11 regular employees. When main breaks occur, especially outside regular working hours, there is only one supervisor to respond to such events. The bureau needs to institute adequate cross-training across divisions so that other supervisory staff can respond to emergency events. Additionally, there are four Service Person IV positions, which is the highest level for this bureau that can also be trained to act as lead workers.

## **Recommendations**

### **Recommendation M-4.1: Develop a systematic water line replacement program.**

This program should be developed based on data, including an analysis of age, main break history, and other factors. It begins with the development of an assessment of the condition of the system's mains

and should include coordination with sewer main replacement, street repaving, and other construction projects in the public right-of-way. This should be coordinated with street repair work and sewer line replacement under the City Engineer. This should be the highest priority for capital items. Each year this list should be reevaluated and priority replacement projects would be selected for construction.

A meter replacement program begins with an effective plan for meter testing, calibration, and preventive maintenance in accordance with standards promulgated by AWWA. The program serves as the basis for prioritization of maintenance and calibration and eventual replacement.

Over time, water meters begin to wear out. Worn meters typically register less water than actually flows through the meter. Within a period of seven to ten years, the registry shortfall can be as much as 10% of the total volume. An effective, regular maintenance and replacement program is self-financing. The accurate billing yields sufficient revenue in one year to pay for the meter replacement.

**Recommendation M-4.2: Develop a multiple-year water meter replacement program that is funded annually.**

Properly operating valves are essential to an effective water management system. They reduce water loss through the mains, maintain appropriate levels of water pressure, and enable maintenance crews to stop or redirect water in the case of main breakage. Leaks begin to occur when valves are not tested and maintained regularly. Additionally, insufficiently maintained valves can cause difficult shut-off situations, increasing the likelihood of system damage.

**Recommendation M-4.3: Develop an annual valve testing and replacement program.**

**Recommendation M-4.4: Designate one water cut-off date per month for non-payment and schedule staff to manage them.**

This will allow more time for preventative maintenance to be done uninterrupted. Routine water turn on/off for changes in occupancy can be done once a week in most cases.

**Recommendation M-4.5: Establish the Water Quality Administrator as the backup supervisor for after-hours water main breaks and other emergency events.**

**Recommendation M-4.6: Implement cross-training for operating personnel so that emergency events in all areas of the Water Bureau can be addressed with existing personnel.**

**Recommendation M-4.7: Establish lead roles for direct crew work when no supervisor is present.**

## Issue M-5: Contracting for Water and Wastewater Treatment Services

### Description

The Harrisburg Authority and the City of Harrisburg, through three different arrangements, share ownership and management of the potable water production and distribution utility and the combined sewer collection and Advanced Wastewater Treatment Facility and conveyance system.

### Observations and Analysis

The water and sewer operation for Harrisburg is currently characterized as meeting all standards and in the case of the water treatment side, receiving regular awards for the quality of water and maintaining licenses for discharge into the water courses. Unfortunately, potential problems arise when one looks behind the basic performance criteria to the factors that will drive the operation's future. Factors of interest include the following:

1. The age of the facilities
2. An aging workforce
3. Absence of well-documented and systematized asset management, maintenance, replacement and operation procedures
4. Poor communication between THA and the City in operational and capital budgeting
5. Absence of a shared vision between the City and THA for meeting the continual regulatory changes

Current ownership and operation of the utility systems is shared, as reflected in Table M-2.

**TABLE M-2: UTILITY SYSTEMS OWNERSHIP STRUCTURE**

	<b>Water Treatment and Supply</b>	<b>Combined Sewer Collection</b>	<b>Advanced Waste Water Treatment Facility</b>
Owner	THA	City	THA
Operator	City	City	City
Capital Programming Manager	THA	City	THA
User Fee Collection	City	City	City
Service Area	Harrisburg plus four adjacent communities	Harrisburg	Harrisburg and five adjacent communities

When one combines these factors with the uncertain financial future of both the City and THA, it suggests the need to look for alternatives that will provide and insure a continued or improved level of service. The

possibilities range from outsourcing the management of these water and sewage treatment facilities to outright selling the utilities. Harrisburg needs to protect its interests, but the twin requirements of insuring continuity of both quality operations and a funding stream to help balance the budget shortfall means that the City must explore alternatives to the current situation. The options available to City are as follows:

- Option 1: Contract the operations and the capital improvements for both the water and the sewer bureaus to the private sector. The contracts could include performance measures to improve efficiency, develop consistent operational procedures and manuals, better link operations and capital programs, and insure compliance with future regulatory measures. It is possible that merging the operations of both sewer and water bureaus would result in greater management efficiency and the potentials for high quality personnel through an improved salary structure.
- Option 2: Lease the water and sewage treatment facilities and contract their operations and maintenance to the public sector. Performance measures would be similar to those in Option 1, but the lease could result in a regular income stream for the City with assurances for all operations to be self-supporting.
- Option 3: Pursue an outright sale of all facilities with an operations agreement with specific performance measures and claw-back stipulations. This alternative could provide a guaranteed level of service and a rapid infusion of cash.

As examples, America Water and United Water both operate in the area. United Water also has an office in Harrisburg and serves nearby areas. Other suppliers of management, operating, financing, and ownership services exist and there would likely be a lively competition for the State Capital's service area for any of those services.

In any of the options, there are a number of factors which require consideration and evaluation. The first is the role, if any, for The Harrisburg Authority. The second is assuring that the agreements provide a vehicle for some form of franchising or other payment system to provide for the City's recovery of the revenue, which it currently transfers from the utility funds into the General Fund. And, of course, the City must protect the interests of the system owners and users, even as service quality over the long-term going forward is guaranteed.

### **Recommendation**

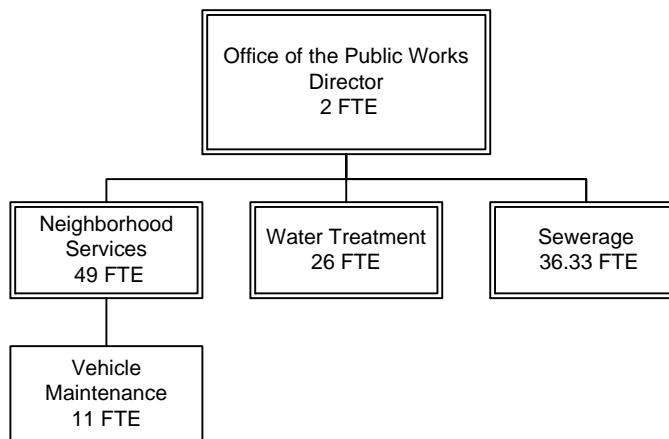
**Recommendation M-5: Following an operations study of The Harrisburg Authority, evaluate the option of selling or leasing the water and sewage treatment facilities and/or contracting the operations and maintenance of these systems to private operators.**

## N. PUBLIC WORKS - NEIGHBORHOOD SERVICES

### Overview of Department

The Harrisburg Department of Public Works is authorized for 150 employees and currently consists of 124 FTE across four bureaus: Water Treatment, Sewerage, Vehicle Maintenance and Neighborhood Services. The Bureau of Neighborhood Services is engaged in four discreet lines of business: Sanitation, Highway Maintenance, Demolition and Traffic. In addition, Neighborhood Services is also temporarily managing the Vehicle Maintenance function. The current organizational structure can be found in Figure N-1.

**FIGURE N-1: CURRENT STRUCTURE OF THE PUBLIC WORKS DEPARTMENT**



In this table of organization, the Vehicle Maintenance line of business is under the umbrella of Neighborhood Services. This represents a temporary supervisory arrangement due to a vacant Director position within the Vehicle Maintenance Center.

The department budget for FY 2009 is \$32,268,410. The General Fund encompasses all the Bureau of Neighborhood Services less Sanitation, as well as the Department's administrative component. Sanitation, like the other enterprise funds of Water and Sewerage, has its own fund. A fund-by-fund detail of the budget may be examined in Table N-1.

This representation of the budget does not include the salaries and benefits cost of four employees that are funded through the Water and

Sewerage Funds: the positions of Deputy City Solicitor, Current Planner, Computer Programmer III and a Paralegal.

Funded by the General Fund, the Director of Public Works oversees the operations of the Vehicle Maintenance Center, Neighborhood Services and coordinates efforts between The Harrisburg Authority (THA) and the City on all issues related to water and sewerage system operations.

**TABLE N-1: HARRISBURG DEPARTMENT OF PUBLIC WORKS FY2009 BUDGET**

Fund	General Fund	Water	Sanitation	Sewerage	Liquid Fuels	
<b>Personnel Expenses</b>						<b>TOTAL</b>
FICA	\$157,930	\$122,321	\$747,50	\$138,389	\$0	\$1,166,140
Overtime	\$29,734	\$109,020	\$22,500	\$161,280	\$0	\$322,534
Health Benefits	\$0	\$469,249	\$367,738	\$479,187	\$0	\$1,316,174
Retired Health Benefits	\$0	\$4,630	\$0	\$42,575	\$0	\$47,205
Sick Leave Buyback	\$0	\$2,900	\$600	\$2,400	\$0	\$5,900
Severance Pay	\$0	\$2,500	\$6,500	\$3,000	\$0	\$12,000
Unemployment	\$0	\$0	\$12,500	\$11,000	\$0	\$23,500
Workers Compensation	\$0	\$0	\$4,000	\$2,000	\$0	\$6,000
Loss Time/Medical	\$0	\$0	\$85,000	\$51,000	\$0	\$136,000
State Fees	\$0	\$0	\$2,500	\$1,300	\$0	\$3,800
Excess Policy and Bond	\$0	\$0	\$3,000	\$4,000	\$0	\$7,000
Management Salaries	\$281,429	\$266,252	\$35,020	\$279,554	\$0	\$862,255
Bargaining Unit Salaries	\$1,751,354	\$1,105,006	\$912,529	\$1,293,645	\$0	\$5,062,534
<b>TOTAL Personnel</b>	<b>\$2,220,447</b>	<b>\$2,081,878</b>	<b>\$2,199,387</b>	<b>\$2,469,330</b>	<b>\$0</b>	<b>\$8,971,042</b>
<b>Operational Expenses</b>						<b>TOTAL</b>
Communications	\$129,500	\$38,075	\$2,900	\$21,393	\$0	\$191,868
Professional Services	\$200	\$79,200	\$4,870	\$57,430	\$0	\$141,700
Utilities	\$541,350	\$617,200	\$2,300	\$190,800	\$530,000	\$1,881,650
Insurance	\$0	\$142,500	\$59,000	\$2,106,581	\$0	\$2,308,081
Rentals	\$24,700	\$2,500	\$500	\$0	\$0	\$27,700
Maintenance & Repairs	\$368,550	\$122,800	\$136,000	\$60,640	\$75,540	\$763,530
Contracted Services	\$265,400	\$2,869,932	\$981,045	\$4,303,140	\$0	\$8,419,517
Supplies	\$2,165,850	\$498,325	\$184,000	\$6,067,732	\$261,000	\$9,176,907
Minor Capital Equipment	\$22,000	\$0	\$0	\$391,415	\$0	\$413,415
<b>TOTAL Operational</b>	<b>\$3,517,550</b>	<b>\$4,370,352</b>	<b>\$1,370,615</b>	<b>\$13,199,131</b>	<b>\$866,540</b>	<b>\$23,324,188</b>
<b>TOTAL PERSONNEL AND OPERATIONS</b>	<b>\$5,737,997</b>	<b>\$6,425,410</b>	<b>\$2,897,252</b>	<b>\$15,668,461</b>	<b>\$866,540</b>	<b>\$32,268,410</b>

The Bureau of Neighborhood Services provides services that include general repairs to the roadway, resurfacing of worn and deteriorating roadways and alleys, and preparing and maintaining safe roadway conditions in time of snow and ice. This bureau also repairs and maintains City sewer and storm inlets. Additional responsibilities include leaf collection in the fall and Christmas tree pick-up; street cleaning year-round by crews that operate motorized street sweepers using flusher trucks that keep down the dust; and, demolition of blighted and deteriorating properties.

Additional responsibilities include the operation and maintenance of signalized intersections, and the fabrication, installation, and maintenance

of all traffic control signage; street name signs; and the pavement marking for vehicular and pedestrian control. Neighborhood Services also maintains the electrical and sound systems in the City Park complexes and the special events hosted by the Department of Parks and Recreation, as well as the outline lighting on City Island, uplighting in Riverfront Park, and the Walnut Street Bridge; Christmas decorations and all decorative banners in the City. The Bureau is organized into four divisions, including the Highway Division, Traffic Division, Sanitation Division and the Demolition Division. In addition, the Vehicle Maintenance Bureau is currently functioning as a Division of the Bureau of Neighborhood Services. Figure N-2 summarizes the organization structure and staffing levels of the Bureau of Neighborhood Services.

**FIGURE N-2: BUREAU OF NEIGHBORHOOD SERVICES ORGANIZATION STRUCTURE**

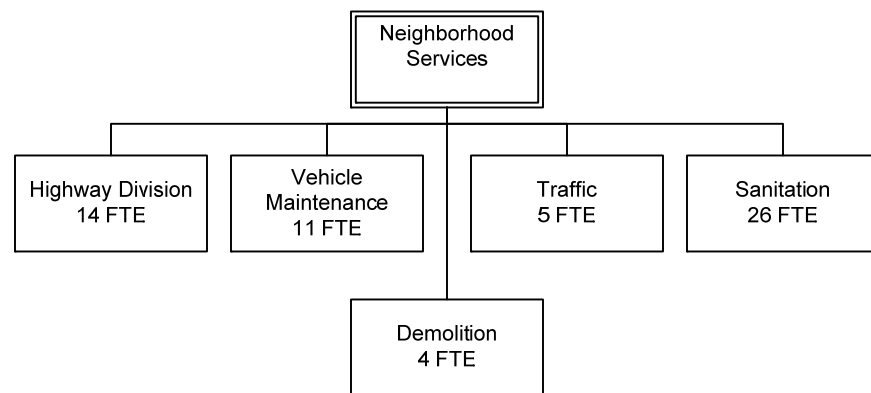


Table N-2 summarizes the Bureau of Neighborhood Services budget history.

**TABLE N-2: BUREAU OF NEIGHBORHOOD SERVICES BUDGET HISTORY**

	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Estimate</b>	<b>2010 Proposed</b>
<b>City Services</b>					
Personal Services	\$1,930,591	\$1,998,001	\$1,915,071	\$1,628,281	\$1,847,147
Operating Expenses	\$1,885,456	\$1,999,870	\$2,159,807	\$2,554,628	\$2,032,950
Capital Outlay	\$77,338	\$61,639	\$29,250	\$20,889	\$18,592
Subtotal	\$3,893,385	\$4,059,510	\$4,104,128	\$4,203,798	\$3,898,689
<b>Sanitation</b>					
Personal Services	\$1,244,469	\$1,368,040	\$1,318,184	\$1,398,967	\$1,499,655
Operating Expenses	\$1,347,395	\$1,328,057	\$1,288,283	\$1,367,747	\$1,425,890
Capital Outlay	\$175,412	\$148,192	\$226,004	\$100,180	\$165,952
Transfers	\$1,013,519	\$1,366,615	\$1,411,337	\$1,418,136	\$1,295,703
Subtotal	\$3,780,795	\$4,210,904	\$4,243,808	\$4,307,530	\$4,409,700
<b>Total Neighborhood Services</b>	<b>\$7,774,690</b>	<b>\$8,270,414</b>	<b>\$8,347,936</b>	<b>\$8,511,328</b>	<b>\$8,308,389</b>

## **Issue N-1: Solid Waste Collection**

### **Description**

The City of Harrisburg has traditionally placed a high priority on solid waste collection by the Sanitation Division. Residents are provided weekly solid waste and recycling services while commercial accounts are serviced daily. Sanitation crews will generally collect any waste left curbside by residents for pick-up. It should be noted that the calculations contained in the section of this report were made using data that was submitted by the City of Harrisburg. The information shared with Management Partners over the course of the analytic phase of this project was varied.

### **Observations and Analysis**

Project staff reviewed the City's solid waste collection services through staff interviews and data collection. A principal difficulty, as with most of the public works operations, is the availability of timely, accurate, and reliable data. The information we were able to obtain presents the following picture of solid waste collection work activity:

- Sanitation crews are comprised of two people per truck, while recycling is done by one individual per truck. There are 10 sanitation and 3 recycling routes per day. There are approximately 19,228 residential accounts that are served weekly. There are 1,415 commercial accounts that are serviced daily.
- There is a significant inconsistency in information relating to the number of accounts served per route per day. The Department reports anecdotally that each truck has a daily responsibility of approximately 750 stops per day, commercial and residential combined. The Department did not provide any performance data to substantiate that level of activity. On the other hand, the mathematics of the service volume would indicate a substantially lower service level. Each residential account receives service once a week; each commercial account receives service once a day. Adding the 19,228 residential accounts to 7,075 commercial stops (1,415 accounts multiplied by 5 days), comes to 26,303 stops per week. With 10 routes, that averages 2,630 stops per route per week, or 526 stops per day, about a third less than assumed.
- There are no limits to trash volume or differing fees for amount of waste each residential account produces. There is a single flat fee for waste and recycling that is applied regardless of the individual household conservation efforts of residents.
- The current system is primarily manual although the trucks are lift-equipped. Manual collection can result in excessive injuries on employees causing higher worker's compensation costs and higher absenteeism.
- Crews are paid for eight-hour days; however, they generally work between 5.5 and 7.5 hours per day until all the items on their route are

collected. This is a common practice for a municipally-run sanitation collection operation, although not an effective practice. Typically, sanitation crews are able to make between 700 and 1000 stops per 8 hour work day, which means that the City's crews are performing at only 75% of what should be a minimum performance load. The City has no performance expectations other than to get the job done. There is not a measurable way to show that even this expectation is being met. There are no metrics used to gauge the number of second pick-ups due to operator error, no route volume statistics, nor are there any benchmarking activities to gauge the division performance against other like-sized jurisdiction or – as importantly – the private sector.

- Assuming the 26,303 stops per week, and the ability of each crew to make 750 effective stops in an 8-hour day, that would require only 35 routes per week, or seven routes per day. Assuming one additional crew for bulk pick-up, that means that the City needs a maximum of eight crews for a normal level of productivity. If the City were to achieve a mid-range level of productivity of 900 stops per day, that would reduce the number of routes by one additional route.
- The personnel cost alone to provide this service is \$1,386,000. This does not include cost of vehicle depreciation, fuel, or maintenance of the 10 rear-load and three recycling vehicles. This is a considerable cost compared to the cost of private sector service.
- Sanitation routes are not planned in a statistically proportional manner based on reasonable staff capacity. As a result the current staffing complement may not reflect the optimal level once work is balanced and planned.

### **Recommendations**

This service needs to be retooled immediately. During Management Partners' fieldwork, there were claims that new routes were being investigated to maximize efficiency although there is no software to aid in this so it would be a manual effort. This kind of detailed route planning is best done by an outside party that has operational experience in public sanitation or with the use of computer software. It is unlikely, though possible, that an internally developed plan would be as effective.

#### **Recommendation N-1.1: Retain a sanitation planning firm to devise new routes for the Sanitation crews.**

It is likely that this will result in an increase in service delivery efficiency. These firms specialize in analyzing trash volume and utilizing geographic information systems to evenly distribute the existing resources in a rational manner. This routing system would enable the City crews to meet normal industry performance standards within eight-hour days.

**Recommendation N-1.2: Implement the use of performance measures for Sanitation Division.**

Monthly volume statistics that illustrate route volume, accuracy in pick-up, residential late set outs and other applicable data should be made available and benchmarked. Doing so will allow managers to more effectively direct limited resources. This efficient allocation of personnel and capital will eventually result in captured cost savings. This will assure that a re-sized unit working with a modern routing system will perform as expected.

**Recommendation N-1.3 Consistent with the recommendations of a new routing system, reduce the number of collection crews from ten to seven.**

These changes will result in immediate cost savings for the City. By meeting normal performance standards, the City will be able to receive the benefit of the cost savings while having no reduction of its refuse collection services. If efficiencies have not been demonstrated over the first year, then the City should contract this service to an independent service provider. The current cost of providing solid waste pick-up is approximately \$1,511,660. Detail for this calculation may be found in Table N-3.

**TABLE N-3: APPROXIMATE ANNUAL COST OF SANITATION COST**

<b>Cost Center</b>	<b>Current Practice</b>
Personnel	\$1,388,589
Maintenance	\$101,088
Fuel	\$21,983
<b>Total Cost</b>	<b>\$1,511,660</b>

Assuming that the reduction in the number of crews by thirty percent would result in a minimum savings of at least twenty-five percent of the budget, the expected savings from this change would be approximately \$378,000 per year.

## **Issue N-2: Property Demolition**

### **Description**

The City of Harrisburg annually allocates \$400,000 from its 2008 Community Development Block Grant (CDBG) funds of \$2,059,826 to demolish blighted/unsafe properties. Properties to be demolished are identified by the Bureau of Code Enforcement. A dedicated crew of four fulltime employees works with a lift boom, backhoe, and other specialized tools and equipment to disassemble these properties. These four employees also contribute to the Bureau of Neighborhood services when necessary by assisting in snow control, special events and other ad hoc tasks.

### **Observations and Analysis**

The property demolition program provides for the removal of unsafe buildings and housing. It operates through funding provided by the City's CDBG program. Demolitions are conducted by City crews and, in some cases, the Housing and Building Department also uses private contractors. Costs for the program are supposed to be recovered through property liens following demolition. Our interviews and data collection identified several conditions relating to this program:

- Some of the homes that are demolished share a common wall with neighboring row-homes. The safe and effective extraction of these properties is time consuming.
  - As opposed to a traditional free standing knock-down, row houses must have their walls reinforced and foundations left intact.
  - This practice also necessitates that the crew disassemble the property piecemeal, which increases the risk of injury to employees.
  - It lowers the property values of adjacent homes.
- When a jobsite is backfilled, after the buildings have been demolished, the foundation is collapsed upon itself. This in and of itself is a best practice. However, at least anecdotally, there has been inadequate soil capping and planting. Ideally, 18 inches of topsoil would be spread over the top of the now-vacant lot. The creation of a debris filled barren lot is antithetical to the mission of removing blighted properties from neighborhoods.
- As shown in Table N-4, the City has not been aggressive in capturing fines from the liens placed on properties throughout the Code Enforcement process that leads to property demolition. It has collected only 4.49% of all outstanding liens.

**TABLE N-4: DEMOLISHED PROPERTY LIEN INFORMATION FOR THE CITY OF  
HARRISBURG, 2005 – 2009**

	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Total</b>
<b>Liens Collected</b>	\$19,064.40	\$5,372.65	\$12,144.72	\$15,635.64	\$1,919.06	\$54,136.47
<b>Outstanding Liens</b>	\$36,800.00	\$354,619.00	\$117,691.00	\$170,046.00	\$473,301.00	\$1,152,457.00
<b>Total</b>	\$55,864.40	\$359,991.65	\$129,835.72	\$185,681.64	\$475,220.06	\$1,206,593.47
<b>Percent of Liens Collected</b>	34.13%	1.49%	9.35%	8.42%	0.40%	4.49%

- Demolished buildings are stripped of metal that is then scrapped for salvage. The resulting proceeds are used for small safety equipment, tool replacement, and tool maintenance. Other salvageable items like floor bearers and joists as well as pavers, sills and lintels are not salvaged. This is significant, because tipping fees are 50 dollars per ton of construction waste.
- While the costs assigned to the program have been relatively constant, the program itself has experienced significant decline in work activity. The result is an extremely high demolition cost per unit.
- A more effective approach would be to eliminate the base cost of having the service available, and expend resources only when necessary through private contracting.

There are alternatives to utilizing CDBG funds to demolish property. These funds could be used towards road replacement, street maintenance or other capital improvement in areas meeting CDBG requirements. Table N-5 outlines the projected costs of the property demolition program.

**TABLE N-5: ESTIMATED PROGRAM COSTS FOR PROPERTY DEMOLITION**

<b>Cost Center</b>	<b>2008</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
Personnel	\$231,444	\$231,444	\$231,444	\$231,444
Homes Demolished	4	48	28	55
Approximate Tons of Demolition Waste	336,000	4,593,600	2,679,600	5,263,500
Estimated Annual Tipping Fees	\$8,400	\$114,840	\$66,990	\$131,588
<b>Annual Cost of Service</b>	<b>\$239,844</b>	<b>\$346,284</b>	<b>\$289,464</b>	<b>\$363,031</b>

This table was constructed with information provided by the City of Harrisburg and assumptions based on best practice operations:

- There were 75 properties demolished between 2009 and 2005. Per year information was not available, so an average of 15 annually was used per calculation.
- The tipping fee for demolition waste is \$50 per ton.

- The assumption that the average wood-framed home weighs 60 pounds per square foot, less the foundation.
- The assumption that the average home demolished has an average square footage of 1,595.<sup>1</sup>

This table does not include estimates regarding fuel consumption or vehicle maintenance and depreciation due to lack of reliable data provided by the Department. While these indirect costs are included it should be noted that they are likely not insignificant.

## **Recommendations**

**Recommendation N-2.1: Contract housing demolition services.** CDBG funds freed through contracting should be used to reassign as many of the current staff as possible to the Highway Bureau.

The use of CDBG funds is appropriate for infrastructure maintenance, especially considering the state and age of Harrisburg's infrastructure. This will considerably bolster the Highway Bureau's ability to maintain streets. According to the U.S. Department of Housing and Urban Development, Community Development Block Grant funds can be used for eligible activities that include, but are not limited to:

- Acquisition of real property;
- Relocation and demolition;
- Rehabilitation of residential and non-residential structures;
- Construction of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes;
- Public services, within certain limits;
- Activities relating to energy conservation and renewable energy resources; and
- Provision of assistance to profit-motivated businesses to carry out economic development and job creation/retention activities.

The City of Harrisburg's Comprehensive Plan also bolsters the appropriateness of the use of CDBG funds: "The City has two priorities in determining which projects to fund to address non-housing community development needs. *The first is to undertake neighborhood infrastructure improvements that will spur private sector investment in the area* (emphasis added)."

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<sup>1</sup> US Census: Median and Average Square Feet of Floor Area in New One-Family Houses Completed by Location – Northeast Region  
<http://www.census.gov/const/C25Ann/sfttotalmedavgsgft.pdf>

While this recommendation does not reduce City costs, it allows the City to be more effective in the use of current resources by continuing the demolition program using per unit contracts with the private sector while bolstering the City's needed highway crews.

**Recommendation N-2.2: Coordinate with the City Solicitor to aggressively capture outstanding liens.**

There are over a million dollars in outstanding liens. This is a significant outstanding one-time revenue for the City to pursue. Lien collections and outstanding levels may be reviewed in Table N-4.

## **Issue N-3: Street Sweeping and Leaf Collection**

### **Description**

Currently, the Department of Public Works conducts an aggressive street sweeping schedule. This is an activity that traditionally is done once or twice a year in conjunction with the jurisdiction's stormwater management plan. More frequent sweeping in business areas are often financed by business improvement district fees which pay for a higher level of service in the central area of the City that everyone uses.

### **Observations and Analysis**

The City of Harrisburg provides an extraordinarily high level of street sweeping and leaf collection services. The frequency of service is well beyond levels found in any best practice or comparative analysis. The service has a high demand for staffing and equipment. Our observations of the service include:

- As a part of the focus on sanitation activities, the Department has six sweepers, four of which are on routes at any one time.
  - Every street in City is swept twice a month.
  - No-parking is enforced to insure the curb lanes are clear although no parking signs exist.
- Every sweeper has one driver. There are two trucks, staffed with one FTE each, who are responsible for emptying sweepers throughout the day.
- While there is no set schedule for when leaf collection season begins and ends, interviews consistently indicated that crews begin leaf collection, roughly, “at the beginning of fall” and through the first snow.
- Leaf collection is done in close conjunction with street sweeping
  - Despite prohibitions against the practice, residents often rake their leaves into the right-of-way
  - A typical route will have the street sweeper sweep what they can of these leaves up. This is a sub-optimal practice because street sweepers were not designed to pick up this volume of leaves.
  - A second truck with a mounted leaf vactor will follow the street sweeper and capture the remaining leaves.
- The aggressive street sweeping and leaf collection schedule often has left as few as 6 FTE solely dedicated to right-of-way maintenance
- Leaves ultimately go to a local composter.

The current practice is placing the City at a disadvantage in terms of infrastructure maintenance, in addition to the excessive cost of providing this service at the current frequency. Table N-6 details the typical staffing complement of the Highway Maintenance Division during leaf collection season.

**TABLE N-6: STAFFING DETAIL – STREET SWEEPING AND LEAF COLLECTION**

Street Sweeping and Leaf Collection	
Total FTE Highway	18
Street Sweeping	
Sweepers	4
Disposal Trucks	4
Leaf Collection	
Leaf Trucks	4
Remaining Highway FTE	6

These personnel commitments also reflect a fiscal cost, of course. Table N-7 reflects the estimated annual cost associated with providing the current level of street and leaf collection services.

**TABLE N-7: CURRENT ESTIMATED COSTS – STREET SWEEPING AND LEAF COLLECTION**

Cost Center	Sweeping	Leaf Collection	Total Annual Cost
Personnel	\$427,104	\$60,389	\$487,493
Maintenance	\$46,656	\$5,832	\$52,488
Fuel	\$10,145	\$1,268	\$11,413
Depreciation	\$77,400	\$0	\$77,400
<b>TOTAL COST</b>	<b>\$561,305</b>	<b>\$67,489</b>	<b>\$628,794</b>

This table was compiled using 2009 budget information and assumptions:

- Personnel costs were calculated by utilizing the average total compensation for employees that are either Mechanical Equipment Operators (MEO) or Heavy Equipment Operators (HEO). This was due to the fact that more detailed staffing schedules were not available at the time of analysis.
- Maintenance costs were calculated on a per-mile basis. It was estimated that the total annual mileage associated with street sweeping and leaf collection services was 12,960. Maintenance was estimated at \$3.60 per mile.
- For the purposes of this analysis, leaf collection was estimated to be conducted for three months annually.

### **Recommendations**

#### **Recommendation N-3.1: Reduce street sweeping and free leaf collection to two occasions per year.**

Street sweeping would be done on a biannual basis – once at the end of summer and again at the beginning of spring. Additional collections could take place throughout the year but only if necessary to avoid Department of Environmental Protection fines. Leaf collection would be done twice per season gratis, with the residents placing their leaves in paper yard waste bags to be picked up curbside. Additional leaf abatement would be

the residents' responsibility. This recommendation would produce an annual cost savings estimated to be approximately \$520,000, as shown in Table N-8.

**TABLE N-8: COST SAVINGS RELATED TO IMPLEMENTATION OF RECOMMENDATION N-3.1**

Cost Center	Sweeping	Leaf Collection	Total Annual Cost	Recommended Service Level
Personnel	\$427,104	\$60,389	\$487,493	\$81,248
Maintenance	\$46,656	\$5,832	\$52,488	\$8,748
Fuel	\$10,145	\$1,268	\$11,413	\$1902
Depreciation	\$77,400	\$0	\$77,400	\$12,900
<b>TOTAL COST</b>	<b>\$561,305</b>	<b>\$67,489</b>	<b>\$628,794</b>	<b>\$104,798</b>

This would scale this service back to a level that is still well within the acceptable standards of service delivery for a municipality. In addition, it would save the City a lot. In order to fully realize the cost savings in Table N-8, the number of Public Works employees must be reduced by eight to reflect the personnel specifically deployed for this particular task.

**Recommendation N-3.2: Sell the ten oldest street sweepers in the City's fleet.**

While interviews indicated that there were indeed six street sweepers in regular use (four on regular routes, one as a standby and one as a parts resource) the City is in possession of 13 sweepers according to a list of fixed assets produced by the finance office. With the recommended reduction of service, the City would only need three vehicles (two for sweeping and one for reserve/emergencies). The direct financial impact of Recommendation 3.1 is detailed in Table N-8. These sweepers are not included in the analysis as a result of Recommendation N-4.1 in the Vehicle Maintenance Center.

**TABLE N-9: FINANCIAL IMPACT OF SURPLUS SWEEPER SALE**

Asset Tag Number	Salvage Value
004092	\$1,000.00
004121	\$1,000.00
004122	\$1,000.00
004136	\$1,000.00
004139	\$1,000.00
006793	\$1,000.00
011183	\$10,000.00
011184	\$10,000.00
011185	\$10,000.00
013865	\$30,000.00
<b>TOTAL SALVAGE</b>	<b>\$66,000.00</b>

While detailed vehicle maintenance records are not available for review, it is reasonably assumed that there are considerable vehicle repair costs that will also be avoided by the sale of these vehicles. This amount could not adequately be quantified, so is absent in the analysis.

## **Issue N-4: Vehicle Maintenance Center**

### **Description**

According to data provided at the time of Management Partners' field work, the Vehicle Maintenance Center (VMC) maintains all 581 pieces of motorized equipment and rolling stock, though the number is likely to have changed slightly due to auctions that have taken place since that time. For purposes of analysis, Management Partners has utilized the vehicle count of 581 pieces. While the department is authorized for 11 fulltime employees, it is currently operating at ten due to the director's position being recently vacated. Previous management practices were not consistent with industry best practices. In the absence of management supervision, employees have taken steps to improve the VMC.

These steps include best practices such as reviewing contracts before they are automatically renewed, not making unnecessary repairs, encouraging employees outside of the department to not loiter in their workspaces, and not doing warranty work on recently purchased vehicles. There are additional improvements that can also be made.

There is a ready corollary in the private sector for the provision of this service. In the absence of any measurable data that would allow a responsible recommendation to contract this operation out, it was decided after the first review of the operation that outsourcing would not be recommended.

### **Observations and Analysis**

There are three important elements to understanding the work requirements of the Vehicle Maintenance Center and City fleet operations in general. First, as with many Harrisburg public works activities, there is a minimal level of data automation that can be used for management decision making. That which exists, such as the fuel management system, is not performing to expectations. Second, the City has an unusually large fleet. This, in turn, drives staffing and maintenance costs to a very high level. Finally, the City has a limited charge-back system that does not appear to recover full direct and indirect costs or vehicle depreciation; this has the effect of not encouraging departmental constraint in the acquisition or use of vehicles or establishes sufficient resources for regular replacement. Our observations of fleet operations includes:

- Currently, the fuel management system is in disrepair. According to anecdotal evidence from two different sources, it is inoperable 20% of the time.
  - City vehicles are allowed to refuel whenever necessary, as is the best practice.
  - The Harrisburg School District purchases fuel from the City throughout the day.

- As a result of the intermittent reliability of the fuel management system and the constant demands on the fuel pump, a public works employee – often a certified mechanic working in the VMC – must stand and monitor the gallons distributed during the “down-times” of the system.
- While the City has a drive-through truck wash, drivers are not required to utilize it. It is used rarely and in an unplanned manner.
- Currently, the department takes on all but the most difficult repair work orders internally.
  - The VMC contracts with private service providers for the repair and maintenance of complex hydraulic and large scale engine rebuilds
  - Prior to the departure of the VMC director, the department was completing engine rebuilds in house. This is not a best practice.
- There are nine garage bays at the Vehicle Maintenance Facility. One of these bays is used for general storage of materials and a second is used for, ostensibly, auto body repair. The reality is that the employee responsible for this work is more likely to be assisting mechanics with functional repairs. Data for hours expended is not available for analysis.
- The vehicle fleet is much larger than would normally be expected in a jurisdiction the size of Harrisburg. Removing from consideration all operationally unique pieces of rolling stock – items like Sanitation packer-trucks and Fire Department aerials – there are approximately 402 personal-use vehicles in the City.

**FIGURE N-3 PERSONAL-USE VEHICLES CURRENTLY ALLOCATED BY DEPARTMENT**

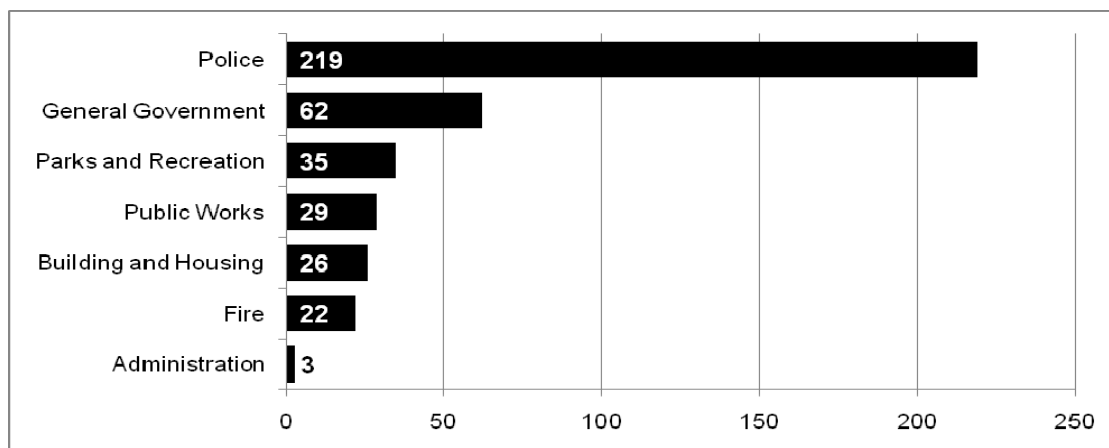


Figure N-3 illustrates clearly the size of the City of Harrisburg's fleet. In the case of the Police Department, there are 1.75 vehicles for per budget authorized uniformed officer. Indeed, the fleet has grown annually, and without reprieve. Figure N-4, below, presents the annual growth of the vehicle fleet.

**FIGURE N-4: CITY OF HARRISBURG'S VEHICLE AND EQUIPMENT FLEET**

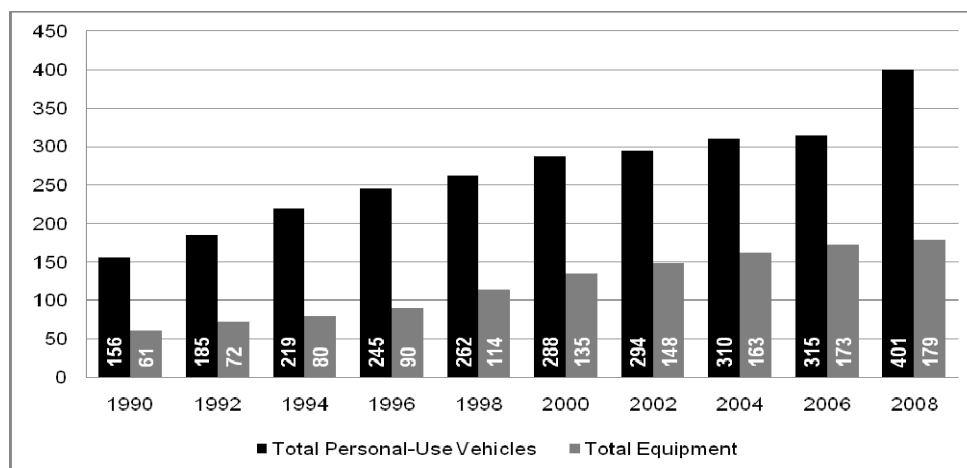


Figure N-4 graphically represents the nearly 170% increase in total vehicles and motorized equipment that the City of Harrisburg has accumulated over the last 18 years. In the last decade, the total amount of rolling stock increased by 54%. Over the last five years, that figure is 23%. The overall operational capacity – the number of employees or hours worked per employee - of the municipality has not matched the rate at which the rolling stock has grown. The same cannot be said for the VMC itself, whose budget has grown by 58%, from \$1,678,155 in 2005 to \$2,651,841 in 2009. The rapid budget growth in greater proportion to the fleet growth is indicative of an aging fleet that requires more maintenance.

**TABLE N-10: VEHICLE MAINTENANCE CENTER ANNUAL BUDGET 2005 THROUGH 2009**

	2009	2008	2007	2006	2005
<i>Personnel Expenditures</i>					
FICA	\$38,195	\$36,887	\$36,887	\$35,587	\$35,231
Overtime	\$6,934	\$2,284	\$2,284	\$3,644	\$3,051
Health Benefits	\$0	\$136,024	\$136,024	\$115,604	\$89,958
Retired Health Benefits	\$0	\$19,306	\$19,306	\$20,830	\$32,967
Management Salaries	\$65,488	\$55,589	\$55,589	\$55,763	\$55,589
Bargaining Unit Salaries	\$426,874	\$424,116	\$424,116	\$405,757	\$401,909
TOTAL Personnel	\$537,491	\$674,206	\$674,206	\$637,185	\$618,705
<i>Operational Expenditures</i>					
Communications	\$4,200	\$3,500	\$3,500	\$4,200	\$4,200
Professional Services	\$0	\$0	\$0	\$0	\$0
Utilities	\$17,300	\$41,300	\$41,300	\$18,250	\$15,800
Insurance	\$0	\$0	\$0	\$0	\$0
Rentals	\$5,200	\$5,500	\$5,500	\$6,000	\$4,000
Maintenance & Repairs	\$165,850	\$160,650	\$160,650	\$113,900	\$95,900
Contracted Services	\$11,100	\$15,850	\$15,850	\$15,000	\$11,800
Supplies	\$1,910,700	\$1,588,582	\$1,588,582	\$1,896,700	\$927,750
Minor Capital Equipment	\$0	\$0	\$0	\$0	\$0
TOTAL Operational	\$2,114,350	\$1,815,382	\$1,815,382	\$2,054,050	\$1,059,450
<b>TOTAL VMC BUDGET</b>	<b>\$2,651,841</b>	<b>\$2,489,588</b>	<b>\$2,489,588</b>	<b>\$2,691,235</b>	<b>\$1,678,155</b>

- All records and work orders are paper based.
  - It is unknown at any given time how much money has been spent on an individual vehicle.
  - Volume of repair by type is not able to be known without considerable research and thus is not tracked.
  - Wrenching time, or the time per pay-period actually spent making repairs is not tracked.
  - The average cost of repairs per department, model, and age of vehicle is not tracked or known.
  - The 2008 annual report contains information on number of jobs completed, but not what kind of job, how many total hours were expended, how many hours per job were spent or the number of units that were serviced.
  - Vehicle lost time due to waiting for parts, and many other key performance indices are not tracked.
- There are no internal controls to regulate inventory.
  - Only one employee is responsible for parts supplier contracts and inventory control.
  - All inventory control is based on “line-of-sight.”

### **Recommendations**

The City of Harrisburg almost has more pieces of rolling stock (581) than authorized positions (593). Not only are these vehicles difficult to store, but the cost of maintenance is greater than it would be if the vehicle fleet was right-sized. It is difficult to quantify the cost savings from culling the current fleet – without detailed usage and maintenance information for each vehicle it is impossible to recommend that specific vehicles be sold as surplus or pooled.

#### **Recommendation N-4.1: Complete a vehicle utilization analysis and remove excess vehicles from the fleet.**

#### **Recommendation N-4.2: Develop and implement a vehicle replacement program and vehicle surplus schedule.**

An effective replacement program will allow the City to cull its fleet based on use and cost, manage the fleet more effectively, and reduce maintenance and operating costs. The vehicle replacement schedule should be a consolidated capital expenditure that takes into account all the various divisions and service delivery needs of the City of Harrisburg.

Creating a salvage schedule is of the utmost importance. The 112 oldest pieces of rolling stock – those that are over 20 years old – have a book value assigned by the Finance Department for accounting purposes of \$52,713. If we assume that the City could recoup at least \$100 in salvage value for those pieces of rolling stock that do not have an assigned book value, that potential one-time sale becomes \$61,413.

#### **Recommendation N-4.3: Eliminate three automotive mechanic positions.**

By eliminating the maintenance responsibility of 112 pieces of rolling stock, the volume of work obviously would contract. The industry standard for wrenching time per mechanic is 1,500 hours per year. The Society of Automobile Engineers (SAE) uses an estimate that each vehicle in a fleet environment requires 13.5 hours of service annually. Table N-11 details the staffing assumptions for a fleet that has 468 pieces of rolling stock (current fleet less the vehicles assumed to be disposed).

**TABLE N-11: HARRISBURG STAFFING ASSUMPTIONS**

	<b>Hours</b>	<b>FTE</b>
Available Wrenching Hours at 1,500 per Year	12,000	8.00
Required Hours at 13.5 per Vehicle	6,318	4.21
Excess Capacity/(Shortage)	5,682	3.79

Savings in personal services, including both wages and benefits, for this reduction in staffing is estimated at \$162,503 per year.

**Recommendation N-4.4: Institute the use of life-cycle costing for City vehicles and equipment.**

The use of life cycle costing, both for acquisition and disposal, is an industry best standard. This approach to costing adds the original cost of a piece of equipment to its operating cost over the equipment's lifetime. Using an analysis like life-cycle costing gives an accurate depiction of the real overall cost of a purchase and allows you to make accurate and informed comparisons between vehicles and equipment. For example, a Sterling dump truck may represent a considerably lower initial expenditure than an International truck, but over the course of the vehicle's useful life, that may not be the case. This should be incorporated as a key element for both the development of a fleet replacement program as well as our recommendation to dispose of excess equipment.

**Recommendation N-4.5: Acquire and place into operation a computer-based work order system for fleet management, including maintenance services.**

There are standard information technology applications designed for use in managing fleet maintenance and replacement. Investing in such a system will provide an easy methodology for collecting the basic information needed to manage fleet maintenance in the most effective manner, as well as serve as a source of data that can be subsequently used to evaluate fleet management.

**Recommendation N-4.6: Establish and monitor performance indicators to measure performance against industry and shop standards.**

To properly evaluate the effectiveness of fleet operations, an organization must establish and monitor performance measures based upon an agreed set of goals and criteria that can be benchmarked against fleet industry leaders. These performance measures along with other fleet information should be part of a reporting process that includes fleet customers and upper management.

Currently, Public Works does not calculate or use a fully-burdened labor rate that includes all the actual costs of providing service. The fully burdened labor rate includes not only direct-costs such as salary and benefit, but also indirect-costs associated with providing this service, such as administrative support, utility cost and the cost of maintaining tools and equipment.

**Recommendation N-4.7: Establish a fleet management internal service fund.**

Industry best practices recommend the development and implementation of a fleet operating and replacement system using an enterprise model. In such a model, all equipment is owned by the Motor Fleet operation and “rented” to the user departments. The fund structure should include a fully-burdened charge-back system for all maintenance costs. The system should also include a capital component designed to provide sufficient funds in reserve to replace a given piece of equipment based on a pre-established life cycle.

**Recommendation N-4.8: Establish a fully burdened charge-back system to allocate the full cost of vehicles to the programs that use them to provide services.**

An advantage of a full cost recovery system is that it allows managers and policymakers to know the complete cost of various services. For example, police agencies are big users of fleet services and that represents a significant capital and operating cost for police service. If a significant component of public service expenditures are “hidden” in another organization’s budget, managers and policymakers will not have the information necessary to make their choices among competing priorities for the City. Another significant benefit for a fully loaded charge system is that it compels managers to treat their fleet as a cost resource and to maximize efficient use of that resource.

## **Issue N-5: Highway Maintenance and Engineering Support**

### **Description**

Highway Maintenance, a section of Neighborhood Services, has declined in staffing from 24 to 18 employees in the past several years. As a part of Bureau of Neighborhood Services, it shares its workers and equipment with other bureaus and even other departments.

### **Observations and Analysis**

Our review of the maintenance and engineering services for the City's highway maintenance leads to the conclusion that the City needs a robust system for management planning and execution. The Department does not have the essential tools to plan its work, manage delivery of services, or anticipate future needs. The separation of the highway functions from the City Engineer and GIS support is a principal contributing factor to this problem

Our observations of this function include:

- By forming Neighborhood Services the department has attempted to institutionalize the concept of sharing personnel and equipment to enable sanitation operations to be covered at all times and to insure that City staff provide at least some attention to all activities during a given month. These factors, combined with the cuts in supervisory positions, have created a situation where sanitation services and citizen complaints determine daily work. The lack of systematic work task planning means that work is interrupted to assist any understaffed cleaning activities (sanitation, street sweeping, leaf removal, snow removal) or special activities (special event support for other departments).
- The Highway Maintenance unit has no asset management or organized preventative maintenance, only paper work orders based on complaints phoned into the Department or noticed by street sweepers. Combined with the focus on the apparent customer service objectives, that state of affairs results in work that is both undertaken in an unorganized manner and that is ineffective in preserving the infrastructure.
- Because the Department does not have a systematically assembled asset inventory and condition assessment, management does not have targets for improvement or know what resources would be necessary to reach those targets. The apparent focus on high-profile low value constituent services rather than preventative maintenance has resulted in a gradual deterioration of important elements of the City's infrastructure.
- In an effort to answer citizen complaints about street conditions and potholes, Highways uses cold asphalt patching, a temporary fix at best. Because the repairs done by this method are easily washed out

or pounded out by traffic, no progress is ever made in improving street conditions. The crew's time is essentially wasted except for public relations purposes. According to information gathered in the interviews, there is also no systematic record of where those repairs are done.

- Interviews with Department management personnel indicate concern over a continuing deterioration of the City's highway infrastructure, including road surfaces and substructures such as sewer lines under roadways. The unit often has to postpone their regular work due to emergency maintenance. These emergencies create a situation where personnel and equipment are not available to assist other agencies.
- Interviews also indicate the present separation of the City Engineer and GIS operations from the Public Works Department generally, and Highways particularly, makes coordination of roadway maintenance difficult, at best.

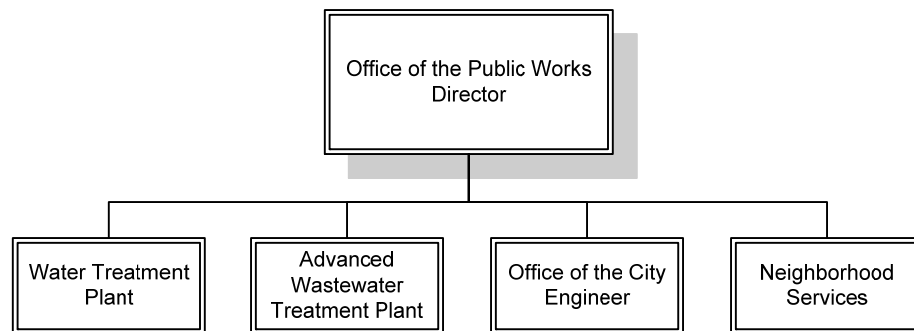
### **Recommendations**

The City of Harrisburg would benefit from more coordinated action between the capital planning and operational public infrastructure staff. It is an extremely common organizational structure model to have the City Engineer within the Public Works Department. Given concerns about the conditions of the City's public rights of way, it will be important to address highway maintenance from an engineering perspective as well as an operational point of view.

#### **Recommendation N-5.1: Move the Office of the City Engineer into the Public Works department.**

While the City charter and State law establish rules pertaining to the appointment of the City Engineer, appointment authority should be separate from operational integration. The City Engineer and the supporting positions could function as the Deputy Director and technical support staff to the Director. This technical support would be necessary to reorganize the Department's activities and to undertake and interpret the needed infrastructure condition assessment. The City Engineer position should be filled to provide assistance in the needed prioritizing of the Department's work programs. The preceding recommendation would change the current departmental organizational structure to resemble that of Figure N-5.

**FIGURE N-5: REVISED PUBLIC WORKS STRUCTURE**



**Recommendation N-5.2: Develop and implement a plan that ensures a coordinated review of water, sewer and street maintenance.**

The limited resources available for routine maintenance of capital infrastructure would be maximized by a coordinated review of projects. Our observations of the various maintenance functions indicates considerable interaction among the field services, both in terms the impact of deterioration in one service area on another as well as coordination of staff assignments for maintenance.

## **Issue N-6: Deteriorated Street Conditions**

### **Description**

Interviews with several Public Works employees indicate concern with deteriorated streets, collapsing sewers, and other aspects of the infrastructure that have fallen into serious disrepair. The City has not undertaken a systematic review of infrastructure conditions to assess the magnitude of the problem or to develop an effective response. The City's GIS system is largely used only for recording property transactions to insure sewer and water billings go to the correct location and for street opening permits. The efforts that the Department makes to repair potholes are largely wasted.

### **Observations and Analysis**

- There is no staff to complete or supervise a professional assessment of infrastructure conditions. Work is scheduled as it comes in by complaints or from observations of the street sweepers.
- The City contracts with a consultant to maintain a GIS system used to track property issues, but currently the only right-of-way use is to track street opening permits.
- The capital program is not being given appropriate levels of consideration.
- The Department requires technical leadership to raise the quality of its work and facilitate work with PennDOT. As noted, the retired City Engineer was apparently the only person who pursued outside funding or organized capital projects, including those undertaken by PennDOT. That position and its assistant could assist the Director in developing systematic programs to address the deteriorating infrastructure. It could also help better integrate the capital and operating programs and those undertaken by PennDOT. For example, critical projects such as the Safe Routes to Schools Contract need to be awarded by the state. As another example, PennDOT is undertaking the 7th Street Improvement to support business redevelopment as well as a resurfacing project but there is no link to Public Works or preventative maintenance. In addition, PennDOT has organized an upcoming resurfacing project with no interaction with the Department or other City agencies to prioritize or coordinate the work with other potential undertakings.
- As another factor affecting the street conditions, Highway Maintenance is responsible for the entire combined sewer collection system. There is no systematic inspection of these sewers even though the Department owns a truck outfitted to inspect sewers using a television camera. Again, work is done by complaints and paper work orders, primarily sink holes called in by residents.

## **Recommendations**

**Recommendation N-6.1: Start a Street Condition Inventory and a systematic street repair program by conducting a visual assessment of all streets to determine the safety issues that need to be addressed immediately and to develop a long term program tied to specific performance measures.**

The Department should undertake this effort by street classification, focusing first on high traffic arterials, then collectors and distributors, and finally on to residential streets. The assessment should be done by trained and certified personnel; however, multiple simple methods exist to do the assessment and capture the data. Potentially, PennDOT could share information on the streets that they maintain in the City and lend expertise or personnel to the effort.

**Recommendation N-6.2: Assign the GIS Manager and the Registrar of Real Estate positions in the City Engineer's office to manage the new Street Inventory and Condition Assessment effort.**

As noted, the City contracts with a consultant to maintain a GIS system used to track property issues, but currently the only right-of-way use is to track street opening permits. The employee that maintains the GIS property module (actually redundant with the County's system) appears to be underutilized could potentially manage the development of a street inventory system.

**Recommendation N-6.3: Establish a work order system based on the existing GIS Permit System.**

An electronic work order system tied to the GIS Permitting and the proposed Street Inventory System would allow a single repository of information for planning maintenance and capital improvement activities. The work order should be able to be piggybacked on the current permit system because of the similar data that must be tracked: location, size of repair, and other details.

**Recommendation N-6.4: Stop all temporary cold patch repairs to the streets and reassign personnel to other duties within Highways.**

Cold patch repairs (throw and go) are an extremely inefficient method to repair potholes because the repair simply does not last, especially in a northern climate. The combination of the winter freeze-thaw cycle, heavy rains at any time in the year, and the difficulty in consolidating/compacting the patch to any significant density limits the patch's lifespan. The effort needs to be captured as permanent repairs.

**Recommendation N-6.5: Establish a spray patch contract to provide permanent pothole repairs.**

A spray patch program, if contracted, could help control the pot-hole problem with permanent repairs, raise overall ride quality and improve safety in a much more cost effective method than the “throw and go” cold patch process currently used. This recommendation could be funded in part from the operational and personnel cost savings associated with the suspension of the current street sweeping operational directive.

**Recommendation N-6.6: Establish an annual workplan for the Highway Division crews.**

This effort could be done on a simple paper matrix that could eventually evolve to an asset management program. This program could capture all duties, prioritizing them first by their importance in maintaining the infrastructure assets before outside political factors enter the analysis. This analysis could also determine the repetitive work in addition to pot hole filling that could be more economically contracted out. Several “floaters” could be hired or identified from non-critical suspended work such as leaf collection to keep work crews staffed and handle emergencies. The Director could then use the workplan to work with the Mayor’s office to develop more effective policies on prioritization of work.

**Recommendation N-6.7: Institute a systematic program of inspecting all sewers using the equipment the City already owns.**

Given the number of sinkholes and the unknown condition of the majority of the City’s aging combined sewer system, this effort could target repairs and help reduce the impact of the deteriorating condition of that infrastructure on the City streets. The televised inspections can help determine if relining would be a feasible, more cost effective alternative to replacement of the sewers. If employees are not available to undertake these tasks, contract employees should be hired. If the equipment owned by the City is not up to the task, it should be sold as surplus.

**Recommendation N-6.8: Renegotiate the mutual aid service provision to ensure that both the City and the Commonwealth benefit over the long term.**

There are eight snow routes across 135 miles of City-maintained streets. Pretreatment on State routes used to be paid by PennDOT, but the work is no longer reimbursed. However, the Highway Division continues to pre-treat these roads.



## **O. PUBLIC WORKS - SEWERAGE**

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The Bureau of Sewerage, a part of the Department of Public Works, also identified as the Advanced Wastewater Treatment Facility (AWTF), through a lease agreement, operates the sewerage conveyance and treatment system for The Harrisburg Authority (THA). The plant is designed to provide the level of treatment necessary to meet current EPA regulations and meets the current NPDES permit limits 98% of the time as verified from information on the EPA website. The design of the facility does not allow for the removal of ammonia nitrogen. The City is currently in pilot testing phase of a THA project for a biological nutrient removal (BNR) upgrade to meet 2012 limits of the current NPDES permit for ammonia and total nitrogen. The treatment facility is fed by an antiquated sewer system, which is 90% combined storm and sanitary systems. During heavy rainfall the combined sewer conveyance can be overwhelmed, discharging into the Susquehanna River or Paxton Creek from NPDES permitted combined Sewer Overflows (CSOs). This is a design feature of the old system that releases flows when they overwhelm the interceptor sewer that runs along the river front along Paxton Creek and Cameron Street. Time, duration, quantity, and frequency for CSOs, both wet weather and dry weather, are recorded and reported to Pennsylvania Department of Environmental Protection as a part of the approved Long Term Control Plan (LTCP) for CSO Management and Maintenance and the National Pollution Elimination System (NPDES) permit. Their AWTF identification is PA0027197.

The management structure of this bureau consists of four divisions: Administration, Operations, Maintenance, and Field Maintenance. The Administration Division oversees the entire operation of the AWTF. Their scope includes the operation of the treatment plant and disposal of the treated effluent, both bio-solids and liquid. The bio-solids are either used in mine reclamation or land-filled. The bureau is responsible for the conveyance system within the City limits to the treatment facility, then from the treatment facility to the Susquehanna River, including conveyance lines and force mains from the pump stations. The Highway Division of Neighborhood Services, has the responsibility to maintain the pipes and manholes in the collection system. Figure O-1 shows the Bureau of Sewerage organizational structure.

**FIGURE O-1: BUREAU OF SEWERAGE ORGANIZATION CHART**

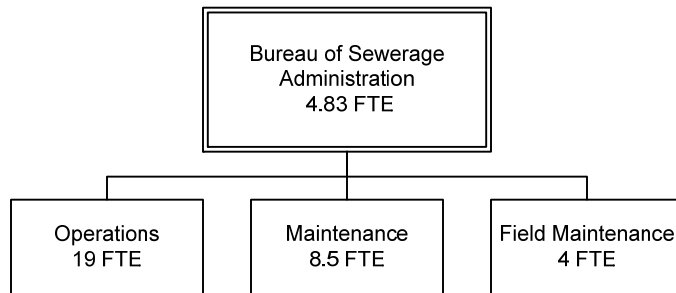


Table O-1 provides a summary of the budget history for the Bureau of Sewerage.

**TABLE O-1: BUREAU OF SEWERAGE BUDGET HISTORY**

	2006 Actual	2007 Actual	2008 Actual	2009 Estimate	2010 Proposed
<b>Bureau: Sewerage</b>					
Personal Services	\$2,382,003	\$2,544,385	\$2,424,573	\$2,293,883	\$2,520,210
Operating Expenses	\$8,400,380	\$8,555,158	\$9,397,070	\$10,315,416	\$10,363,339
Capital Outlay	\$45,967	\$177,824	\$0	\$0	\$0
Grants	\$2,258,129	\$2,261,086	\$2,195,114	\$2,279,269	\$4,018,491
Non-Expenditure Items	\$0	\$0	\$0	\$10,000	0
<b>Total</b>	<b>\$13,086,479</b>	<b>\$13,548,452</b>	<b>\$14,016,757</b>	<b>\$14,898,568</b>	<b>\$16,902,040</b>

## **Issue O-1: Communication between The Harrisburg Authority and the Bureau of Sewerage**

### **Description**

The limited communication between THA and the bureau regarding future planning, performance, capital or operating budgets results in THA not paying their fair share of capital costs because they are being undertaken as maintenance items on the City's operating budget.

### **Observations and Analysis**

The Bureau of Sewerage/Advanced Wastewater Treatment Facility is operated by the City of Harrisburg General Fund through a lease agreement. There did not appear to be a rigorous direct link or joint process between THA (the owner) and the City (the operator) in the area of capital budgeting or operational budgeting. However, since the time of Management Partners' field work, communication between the City Bureau, THA, and the Consulting Engineers has improved, particularly relating to budgeting and progress reporting. The most current reports illustrate that considerable progress has been made in getting capital program contracts out for bid and under way. Still, it is critical for there to be a constant focus on improving rigorous direct links and joint processes between THA, the owner, and the City Bureau in development of both the operating and the capital program. The City is expected to keep the plant and conveyance system operating and to develop the operating budget.

THA has an engineer on staff who manages a consulting engineering contract with HRG Engineering, a medium-sized Pennsylvania firm that develops the capital budget. The THA Engineer with the support of HRG is responsible for technical and regulatory matters, and regular monthly briefings have been held each month with THA, Sewer, Water and Resource Recovery agencies since early 2008. These meetings offer an opportunity for improving communication to explore and develop new and innovative means to improve efficiencies and standards and to meet funding and regulatory challenges..

According to reports on the THA website, over 50% of the flow to the plant is from suburban communities. The financial side of the interaction with the client municipalities is handled by the City's Bureau of Financial Management. Rates are based on a combination of factors, including (1) operations, maintenance and administrative expenses, (2) 1984 and 1988 Series A lease Rental and related Revenue Requirements, (3) Series B lease and Related Revenue Requirements, and (4) 1966 Vest Loan, Pension fund Loan and Related Revenue requirements. According to the Bureau, the last rate increase in 2007 was attributed to increases in operations, maintenance and administrative costs.

The Maintenance Division has spent considerable time and money to rebuild the screening facilities that protect two of the principal pump stations from debris in the conveyance system. These pieces of

equipment most likely should have been replaced under contract as a part of the capital program and funded by THA.

Historically, the Superintendent position was also the executive director position at the Authority. This caused some conflicts of interest but better communication regarding maintenance and capital improvements between the Authority and the City employees that operate the plant. THA reports on major maintenance activities on their website from the regular Monthly Operating report provided each month to THA from the Bureau Superintendent. The engineering consultant essentially produces the capital program using permitting and maintenance activities reported by the Superintendent. Because this project did not include an operations analysis of THA, we are not aware of the final decision process used by THA. Based on interviews, the City employees are not a direct part of the capital budgeting process.

Communication between the Bureau, THA, and the new engineering consultant was limited at first; however, communication has improved as the consultant has developed a fuller understanding of the operating agreement. Given the complexity of the relationship involved, the level of communication and interaction must continue to improve to ensure effective and efficient operations.

The Bureau uses paper work orders for major repairs since there is no electronic method to do so. It uses an MS Excel spreadsheet to track completion dates, as required by the facility's NPDES permit. As a result of the paper system, there is no easy way to track recurring issues or accumulate time spent by maintenance workers on specific pieces of equipment. From observation, employees' paper timesheets document work activities and these records could be combined with those in the MS Excel worksheets generated out of the Preventative Maintenance Program to begin to develop a picture of the effectiveness of the current preventative maintenance activities. That analysis could then suggest potential capital improvements based on reoccurring maintenance/replacement on particular equipment above and beyond the existing preventative maintenance program.

It was learned during field work that THA does not share the planning process of how to meet new regulatory standards with City staff, so there is inadequate linkage to the maintenance program or plant performance. Communication in this area is critical and must be nurtured, given the need to upgrade the facility to meet new regulatory standards while providing an effective maintenance and asset management program. An opportunity exists for further improvement by nurturing the existing interaction with the bargaining unit by establishing something similar to quality circles.

Employees could be consulted and rewarded for identifying improvements in processes. A formal group process would most likely require amendments to the Bargaining Unit Agreement, but could foster

the already positive aspects currently present of employees working their way up through the organization to higher and higher levels of responsibilities.

City employees are not familiar with the permits and the requirements beyond the fact that they need to keep the plant and the conveyance system running and need to maintain their certifications.

THA has client municipalities with 15 flow monitoring stations to track the flow from them. There is no testing of the flow itself. This lack of knowledge about over 50% of the flow being treated means that it is not possible to know if there is a spike of dangerous material coming into the plant that could shut down the biological treatment processes. Modification of the current inter-municipal conveyance, treatment and disposal agreement could allow the opportunity to peg rates to effluent quality, which could be an incentive for system improvement and enhanced revenue.

Based on the THA and City operating budgets, staffing costs have been kept down by not filling positions (consistent under-spending on staffing). In addition, certain categories in the maintenance budget are consistently under spent, calling into question the long-term effect of this under-spending and what happens to the balance that is not appropriated. According to information received during the interviews, supplemental maintenance contracts are not used for regular support. They are used for repair or rebuilding of individual parts of systems such as electrical motors or pump shafts.

### **Recommendations**

By analyzing maintenance projects and determining which should have been in the capital budget, the bureau could negotiate reimbursement from THA's capital funds. In addition, this effort will help determine a realistic staffing level and operating budget, and redirect funds to their appropriate uses.

#### **Recommendation O-1.1: Recapture maintenance funds expended on capital projects.**

Capital improvements should be jointly planned by the bureau and THA, but contracted out through the Bureau instead of THA to better integrate these improvements with the needs of the plant, both present and future. As discussed in interviews with bureau personnel, undertaking large scale repairs or replacement of equipment typically disrupts ongoing preventative maintenance activities. Existing staff should be utilized for routine scheduled maintenance or emergency maintenance activities.

#### **Recommendation O-1.2: Contract Sewerage Bureau capital improvements in close coordination with The Harrisburg Authority.**

Similar to capital improvements, certain aspects of recurring/preventative maintenance should also be suited to contracting, but should be managed by the City as a part of their responsibility. Securing a relationship with a private service provider will make the costs more predictable, provide better fund accounting, and allow more effective use of existing staff. Putting together the scope for such a contract would help the maintenance activities become more of an asset management program, similar to airplane maintenance where parts are routinely replaced before they fail and are checked with a specific routine on a regular basis.

**Recommendation O-1.3. Contract out the Sewerage Bureau's repetitive preventative maintenance activities.**

Regular monthly meetings for briefings and reporting already exist between the bureau, THA, and the Consulting Engineers. These meetings could be enhanced by developing a specific, formal work program that identifies and tracks specific performance measures tied to operational improvements and regulatory challenges

**Recommendation O-1.4: Use the regular monthly reporting meetings between the Sewerage Bureau, THA, and THA's Engineering Consultant to develop and track performance measures.** Doing so will help achieve operational improvements and meet regulatory changes

Improved collaboration between the bureau and THA in this effort would result in increased communication between these organizations. This collaboration has already improved since the field interviews in October 2009, but further focusing on specific objectives of this interaction through reporting specific performance measures could help it even further. These actions would help the THA and its consultant better appreciate the bureau's operating challenges with the conveyance system and the plant and work toward specific, cooperative solutions. It would also help THA better understand the maintenance issues in operating the plant and the conveyance system.

**Recommendation O-1.5: Collaborate with The Harrisburg Authority during the creation of the capital and operating budgets.**

## **Issue O-2: Documentation and Recordkeeping**

### **Description**

The Bureau of Sewerage/Advanced Wastewater Treatment Facility is operated by the City of Harrisburg General Fund through a lease arrangement. The City must keep the plant operating and develops the operating budget. Maintenance workers respond to paper work orders from plant operators. These work orders are based on operational problems, not a systematic preventative maintenance program.

### **Observations and Analysis**

Maintenance activities are largely based on a paper work order system generated by people observing operations along with an existing preventative maintenance program. Once again, according to field work, the existing preventative maintenance plan is largely based on accumulated experience in avoiding long downtime and failure in mission critical equipment rather than a true asset management program which would focus on minimizing the cost and increasing the efficiency of keeping the entire facility functioning properly. A review of the major maintenance activities posted in the Monthly Reports from the Bureau posted on the THA website show that significant work in that heavy maintenance category is undertaken every month, emphasizing the need to continue to improve the capital budgeting process and to institute an asset management program.

According to information learned through Management Partners' interviews, standard operating procedures (SOPs) are in place for Operations, Laboratory and Pretreatment in accordance with the NPDES permit, however no set SOPs exist for Maintenance, other than O&M manuals for specific equipment. Personnel have learned on the job. No performance measures exist and there is no systematic means to establish or track continuous improvement and efficiency in maintenance or the operation in general.

Management Partners' project team members found no use of benchmarks or best practices to improve the plant or its operations. The engineering consultant for THA essentially produces the capital program linked with the permits, but a better coordinated effort by the Consultant with the bureau regarding budgeting would be an asset to the operation. The capital program is not directly focused on improving operations or reducing maintenance costs.

### **Recommendations**

**Recommendation O-2.1: Establish a shared preventive maintenance system between The Harrisburg Authority and the Sewerage Bureau with an electronic work order system to improve communication, recordkeeping, operations, and utilization of human and financial resources.**

Procedure manuals should be created using recorded interviews with the existing staff to ensure that their experience is captured and available for upgrading and can be transferred to new employees, THA, and the engineering consultant. They will also be useful for inspections by the Pennsylvania Department of Labor and Industry and EPA. According to interviewees, both management and bargaining unit employees recognize the need to develop operational procedure manuals. However, it would be very difficult and time consuming to develop the procedures using only in-house employees. By gaining the assistance of THA and the engineering consultant, the effort could be programmed to produce a consistent product that could be updated as they update systems and methods or outside agencies change regulations.

**Recommendation O-2.2: Institute a method to assure collaborative system planning between the City and The Harrisburg Authority, including the engineering firm on contract.**

## **Issue O-3: Operating Procedures and Agreements Do Not Appear to Control Costs**

### **Description**

According to the Bureau staff, significant savings has already been achieved in refuse and disposal since the inception of the Biosolids Beneficial Reuse Program (\$665,620 over the past three years), but a concerted effort must be maintained to ensure that the program evolves to meet changing regulations and evolving needs. This effort will fit well into an enhancement of the ongoing dialogue between the Bureau, THA, and its Engineering Consultant. That effort should produce future targets for cost reduction and revenue production. These actions should produce a coordinated plan to meet EPA regulations, reduce or eliminate landfill costs, utilize the incinerator or its energy to improve efficiency of the plant or improve the profits from sale of byproducts from the plant. According to the Bureau staff, CWH Program revenues averaged \$204,320 above budget projections for each of the last five years. The existing focus by personnel on improving revenues should continue to bear fruit if they are given sufficient technical support to move beyond the existing programs. These byproducts include sale of fats, bio-solids, treated effluent, or electricity. A review of the plant's reports on the THA website shows that income is dramatically less than the target budget.

### **Observations and Analysis**

The plant uses a belt press filter system to squeeze water out of the bio-solids. They achieve 20% solids/80% water in this procedure, a norm for the industry. There does not seem to be a questioning of how to improve this output. The City staff is very aware of the \$50/ton landfill cost, especially considering that 80% is water, but feel helpless in changing the situation. They would like to improve the quality of the bio-solids so that they can be burned or disposed more cheaply. In addition, the sludge is only rated class B because of pathogens. As a result, it can only be used for mine reclamation or land filling, but not for spreading on farm fields. According to the Bureau staff, progress has been made since Management Partners' October 2009 field work to embark on an agricultural application program to augment the existing mine reclamation program for beneficial reuse, tied to the upgrade of the belt press mentioned above.

According to the Bureau staff, currently the fats are disposed of as grease waste. There exists a potential for pelletizing this waste for reuse and any ongoing efforts by all City agencies in this effort should be coordinated by placing the responsibility for negotiating sale with the Bureau and retaining profits within the Bureau to reward such effort and help offset operating costs.

Power is generated from the methane produced on site and sold on the wholesale market to PP&L. The sale of the electricity is managed by a contract negotiated through Benchmark Solutions. The incinerator's contract for similar sale of electricity expires at the end of the year,

offering some opportunities for improvement. Benchmark Solutions purchases electricity used at the facility and bills for it. Pennsylvania Power and Light then bills them and in turn those bills are passed on to the Bureau. This is inefficient.

Fortunately the Bureau made significant progress in the contract sale of the electricity generated by their methane-fired generators. The new contract uses a net metering process negotiated by City Staff and the THA consultant that should result in a 30% revenue increase over past years. This is an excellent example of what can be achieved by the Bureau when the necessary resources are made available to them to solve a problem.

### **Recommendations**

**Recommendation O-3: Collapse three bureaus managing The Harrisburg Authority facilities into one bureau to capture collective savings and operational synergies.**

All three operational bureaus could be combined. THA, their consultant, and the City staff should rework the organization to reduce costs and increase revenue. For example, one of the major operating costs is disposal of the products of the plant. By focusing on turning liabilities into financial yield, or at least in reducing disposal costs, a joint effort by City staff, THA, and the consultant should both reduce costs and increase yields from marketable products.

## **Issue O-4: The Effectiveness of Current Maintenance Procedures Is Limited Because It Is Reactive Rather than Based On a Planned Preventive Maintenance Process**

### **Description**

Two of the five maintenance staff members spend the entire day inspecting the 58 regulating chambers (CSO controls) to see if they are functioning properly. According to rather limited Harrisburg Authority reports, other staff (or potentially the staff inspecting the regulating chambers) has a regular list of manholes they check to clear grease or blockages. Rags appear to be a major problem. There is no electronic (SCADA) system for monitoring CSO discharge at this time; the only flow monitoring system is the ADS flow monitoring, which monitors flows at various locations close to inter-jurisdictional boundary junctions.

### **Observations and Analysis**

Staff is both borrowed by and from Highways, depending on the current emergencies or priorities. This concept of reducing costs by sharing resources potentially has benefits for true emergencies; but is currently a regular occurrence.

According to bureau staff, the bureau currently has four Field Maintenance employees with one vacancy. There are five plant maintenance employees and two laborers. Because of a lack of coordination between maintenance and capital improvements, two of five employees are currently rebuilding the bar screens (to control debris from damaging pumps in the pump station and capture them for disposal) which are actually capital replacements, not regular maintenance. As a result, one person is left to do other routine maintenance. Because of these factors, programmed preventative maintenance is substantially behind. In addition, staff and equipment are borrowed by Neighborhood Services to fill gaps in their complement, interrupting regular maintenance activities.

### **Recommendation**

**Recommendation O-4: Prepare a procedures manual for preventive maintenance for plant and conveyance facilities that are a part of the Advanced Wastewater Treatment Facility, based on operational requirements.**

A systematic asset management, preventive maintenance and capital replacement program is the bedrock of a well-run infrastructure system. Creating such a program will improve the value received for maintenance dollars expended by focusing on keeping operations at their required level, avoiding unscheduled shut-downs caused by equipment failure or major unscheduled maintenance, and helping shift appropriate expenditures to capital costs. This action will also help explain and

defend the capital and operating budgets to the Mayor, City Council, and potential outside funding partners. Additionally, documenting existing programs, such as the preventive maintenance program for regulating chambers, assures greater consistency in execution of the maintenance programs.

This effort should be undertaken by the consultant, combining information gained from the operations staff, applicable regulations, and proven operational requirements. As a part of the effort, electronic monitoring system for pumps and flows through the system should be evaluated to optimize support of those requirements and maintenance efforts. The truck owned by Highways that is equipped for televised pipe inspection could be a potential asset in this effort. It is likely that through automation, labor can shift from these activities to more useful activities. The bureau developed current maintenance procedures over time based on field issues as they arose rather than from a comprehensive operations analysis that would allocate personnel to optimize the system, identify problems, and develop efficient, cost effective solutions.

While benefits and efficiencies may be gained, care needs to be exercised when delegating duties within the Department of Public Works because the inter-municipal agreements with outlying municipalities specifies funding allocation for sewage treatment/conveyance versus sewage collection, street maintenance, traffic and sanitation.

## CONCLUSION

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The Commonwealth's Early Intervention Program is designed to help a distressed municipality address unusual financial stress while implementing improvements that will make it more effective in providing services. This report has been created with those goals in mind. It represents a true cross-road for the City of Harrisburg. The City is confronting a serious financial crisis and will need to make many difficult decisions in the coming months if it is to recover. Together with the accompanying Emergency Financial Plan, this report includes a range of recommendations that will help the City to address its immediate financial crisis and lay the groundwork for more efficient and effective service delivery into the future.

We estimate that the operational recommendations in this report represent annual cost savings or increases in revenue that can range between \$4.0 million and \$5.5 million annually. This will be sufficient to meet the institutional financial and operational needs of the City and contribute to the regeneration of essential operating reserves. Of course the City must also address the matter of the significant debt responsibilities that it has with The Harrisburg Authority, a matter addressed at length in the Emergency Financial Plan.

The opportunities for improvement identified in this report are significant and offer a future of renewal, regeneration and exciting change within the Harrisburg City government. While many decisions must be taken promptly and some of the improvements can be quickly implemented, other improvements will take time to plan and execute because they either involve more complexity or address longer-range concerns such as the health of the City's infrastructure. What this work does represent, though, is a comprehensive blueprint for putting the government on a solid financial and operational basis for the years ahead. On the other hand, without the commitment to make the decisions presented in this report, together with the recommendations of the separate Emergency Financial Plan, the City will have little likelihood of resolving its financial crisis.



## **ATTACHMENT A – SUMMARY OF RECOMMENDATIONS**

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Recommendation 1: Implement the steps detailed in the 2010 emergency financial plan.

Recommendation 2: Balance the 2010 General Fund Budget without the use of the 2009 carryover surplus.

Recommendation 3: Allocate the 2009 carryover surplus to rebuilding General Fund reserves.

Recommendation A-1: Conduct a detailed fee study to identify potential fees and to establish the cost basis for a full-cost recovery model for City charges.

Recommendation A-2: Conduct a wage and classification study primarily for non-bargaining unit personnel.

Recommendation A-3.1: Assign responsibility for all telecommunications systems in the City to the Bureau of Information Technology.

Recommendation A-3.2: Hire a telephone systems specialist.

Recommendation A-3.3: Secure a new telephone system.

Recommendation A-4: Develop and implement a five-year information technology strategic plan.

Recommendation B-1.1: Consolidate under one Bureau Director the functions in the Bureaus of Financial Management and Human Resources.

Recommendation B-1.2: Use the organizational realignment to revitalize and expand the human resources function to meet industry standards.

Recommendation B-2: Contract for custodial services to support City operations.

Recommendation B-3.1: Reclassify positions associated with mail processing, reprographic services and central stores as a general customer service position to allow flexible use of staff resource in the work unit.

Recommendation B-3.2: Eliminate one full-time equivalent (FTE) position assigned to the printing/mail stores function.

Recommendation B-4: Implement a biennial budget process.

Recommendation B-5.1: Institute quarterly meetings between department directors and the grants manager to discuss departmental needs.

Recommendation B5.2: Develop a five-year grant plan to guide the grants manager's efforts to identify and apply for grants.

Recommendation B5.3: Designate an internal grants coordinator in each operating department.

Recommendation B-6: Contract for IT consulting services to quickly and effectively develop linkages between mainframe financial data and the Pentamotion financial processing program.

Recommendation E-1.1: Eliminate the full-time staff compliment for the City's Human Resources Commission and direct all applicable discrimination complaints to the Pennsylvania Human Relations Commission.

Recommendation E-1.2: Designate a member of the City's executive team to serve as staff liaison to the Pennsylvania Human Relations Commission.

Recommendation F-1: Reassign select cases from contracted law firms to in-house attorneys with the goal of reducing contracted legal fees by at least 20% in 2010.

Recommendation G-1: Conduct a competitive bid process for banking services.

Recommendation G-2: Modify city procedures to permit acceptance of credit and debit cards for payment for City services

Recommendation H-1.1: Transfer economic development staff and budget to the Department of Building and Housing Development and eliminate the position of director and special assistant to the director.

Recommendation H-1.2: Reclassify the position of Deputy Director to Bureau Director.

Recommendation H-1.3: Increase funding for the position of Director of Building and Housing Development using budgeted funds from the eliminated position of Economic Development Director.

Recommendation H-2: Create a comprehensive economic development plan for the City.

Recommendation H-3.1: Reactivate the Revolving Loan Committee.

Recommendation H-3.2: Develop criteria for including job retention goals for inclusion in loan agreements to existing businesses.

Recommendation H-4.1: Transfer Harrisburg Broadcast Network employees to the Bureau of Information Technology (IT).

Recommendation H-4.2: Transfer management of the City website and the web-hosting budget to Information Technology.

Recommendation H-5: Assign a City management team to oversee management of the Southern Gateway project and funding request.

Recommendation I-1: Rename the combined organization the Department of Community and Economic Development.

Recommendation I-2: Develop a plan for meeting the Lead Hazard Control program goal by the end of the current Federal Fiscal Year (September 30, 2010).

Recommendation I-3: Appoint a citizens zoning code review panel to assist Planning Bureau staff in vetting and reviewing the draft code.

Recommendation I-4: Establish an annual plan of work for completing rental unit inspections equal to one-third of the total units.

Recommendation I-5: Reduce the number of Code Enforcement Officer positions from seven to three positions.

Recommendation I-6: Implement a new policy to charge a per unit fee for re-inspections.

Recommendation I-7.1: Create a quarterly renewal process for annual licensing and food inspections.

Recommendation I-7.2: Implement a re-inspection fee for third and subsequent food establishment inspections.

Recommendation I-8: Assign administrative staff in the DBHD to assist with eliminating the backlog of food inspection files that must be entered into the database.

Recommendation I-9: Seek bids for all future residential demolition activity.

Recommendation I-10: Transfer fire plans review and inspections back to the Fire Department.

Recommendation J-1.1: Develop a family of performance measures for major areas of work and assess and report maintenance metrics at least monthly.

Recommendation J-1.2: Develop a comprehensive inventory of buildings, equipment, play equipment, furniture, shelters, passive and active area acreage, linear feet of sidewalk and trails, and the number and size of athletic fields.

Recommendation J-1.3: Develop a Park Maintenance database that can be used to track scheduled maintenance and prioritize improvements.

Recommendation J-2: Implement a system of monthly reporting by bureau and section managers.

Recommendation J-3: Align seasonal staffing to reflect true participation levels.

Recommendation J-4.1: Document and refine processes and procedures for tracking and recording park and recreation participant counts and activity levels.

Recommendation J-4.2: Implement an electronic reservation tracking system

Recommendation J-5: Complete an attendance/ participant analysis and determine operating costs associated with recreation programs and activities.

Recommendation J-6.1: Implement use of National Recreation and Park Association maintenance standards until local standards are derived and documented.

Recommendation J-6.2: Formalize seasonal maintenance procedures and functions.

Recommendation J-7: Develop a system of planning and measuring work performance for maintenance employees and crews.

Recommendation J-8: Stagger work shifts so that maintenance personnel are scheduled on regular hours, rather than overtime, for weekend activities.

Recommendation J-9.1: Establish a special events funding policy to assure continued funding.

Recommendation J-9.2: Reduce City staff costs at events by increasing use of volunteers and paying back departments that incur overtime as outlined in new policy.

Recommendation J-10: Develop scholarship program to pay fees for children that cannot afford programs.

Recommendation J-11.1: Eliminate Executive Director and staffing at Harrisburg Parks Partnership for a cost savings of \$42,000.

Recommendation J-11.2: Develop a strategic plan for corporate sponsorship fundraising, including goals for an annual campaign and how funds should be prioritized.

Recommendation J-11.3: Eliminate Parks Partnership membership program through attrition; develop alternative giving program for individuals through strategic plan process.

Recommendation J-12.1: Eliminate the Park Ranger function and assign responsibility to the Police Department (Parking Enforcement and Patrol units) for a total cost savings of \$162,674.

Recommendation J-12.2: Install fencing, gates or other barriers to discourage use and access into parks after hours.

Recommendation J-12.3: Require events held at the stadium on City Island to have security staff patrol outside parking lot areas during and after events or charge full cost for City service.

Recommendation K-1: Change the fire suppression work schedule from the current Philadelphia shift schedule to a 24-hour on/48-hour off schedule.

Recommendation K-2: Develop and implement a goal of reducing overtime in the Fire Bureau by half during the next year.

Recommendation K-3: Eliminate the position of Deputy Chief of Administration in favor of developing an Assistant to the Fire Chief position to be filled by a junior fire officer

Recommendation K-4.1: Implement a proactive, company-based commercial and multi-family property inspection program.

Recommendation K-4.2: Fully train the Fire Inspector to complete all fire code plan reviews for new construction. This will require the pursuit of additional certifications.

Recommendation L-1.1: Implement the CompStat model of policing in Harrisburg.

Recommendation L-1.2: Invest in crime analysis software.

Recommendation L-1.3: Authorize a crime analyst position to be added to the personnel complement.

Recommendation L-2.1: Reduce authorized sworn personnel in the 2010 Proposed Budget to the 2009 authorized strength.

Recommendation L-2.2: Analyze the workload impact on dispatched calls for service of reinstituting a telephone reporting unit.

Recommendation L-2.3: Modify the Community Policing Power Shift Unit's responsibility for providing back up on every Dauphin County probation/parole home visit to providing back up for specific arrest-only events.

Recommendation L-3: Turn over booking and detention operations to Dauphin County if and when such a facility is implemented by the County.

Recommendation L-4.1: Modify the policy for responding to alarm calls by requiring alarm companies to clear alarm calls prior to police response.

Recommendation L-4.2: Bill alarm companies rather than users for false alarms.

Recommendation L-5: Develop a contractual relationship with the School District that defines financial responsibilities for the school resource officer program.

Recommendation L-6.1: Adopt a workload-based staffing protocol to objectively determine unit staffing levels for Criminal Investigation Division units.

Recommendation L-6.2: Develop and install appropriate software to electronically track and store data needed for the workload-based staffing protocol.

Recommendation L-6.3: Use the average number of cases per detective per month as the primary workload indicator for the Adult Offender Unit.

Recommendation L-6.4: Base the Adult Offender Unit's staffing level standard on an average of 30 new cases assigned per detective per month.

Recommendation L-6.5: Use the average number of cases per detective per month as the primary workload indicator for the Juvenile Unit.

Recommendation L-6.6: Base the Juvenile Unit staffing level standard on an average of 30 new cases assigned per detective per month.

Recommendation L7: Revise minimum staffing targets for each shift from two call-takers to one.

Recommendation L-8: Enter into discussions with Dauphin County to evaluate the feasibility of emergency communications center merger.

Recommendation L-9.1: Institute an electronic payment processing platform for parking permits and tickets.

Recommendation L-9.2: Co-locate parking enforcement administrative personnel with the Treasurer's Office.

Recommendation L-10: Develop a staggered parking enforcement shift schedule that covers all hours when parking restrictions are in place.

Recommendation L-11: Develop a comprehensive set of performance metrics for the Parking Enforcement Unit.

Recommendation L-12.1: Revise the records retention policy and process for Technical Services Division records that eliminates superfluous recordkeeping and enables electronic records access.

Recommendation L-12.2: Purchase off-site storage space for all physical files that must be maintained for specified periods of time but can be assessed electronically.

Recommendation M-1: Eliminate the Maintenance/ DeHart Superintendent position and combine the duties of maintenance and operations into the Operations Division.

Recommendation M-2: Implement a regular testing process to ensure the Susquehanna River water source is operationally ready and can be used when emergencies arise.

Recommendation M-3.1: Charge fair market value for rent to the tenants of the two houses at DeHart Reservoir.

Recommendation M-3.2: Improve passive security for the reservoir area, including examining and securing access points and adding security cameras in key places.

Recommendation M-3.3: Evaluate the potential of the sale of this asset as part of the City's plan to address outstanding debt obligations.

Recommendation M-4.1: Develop a systematic water line replacement program.

Recommendation M-4.2: Develop a multiple-year water meter replacement program that is funded annually.

Recommendation M-4.3: Develop an annual valve testing and replacement program.

Recommendation M-4.4: Designate one water cut-off date per month for non-payment and schedule staff to manage them.

Recommendation M-4.5: Establish the Water Quality Administrator as the backup supervisor for after-hours water main breaks and other emergency events.

Recommendation M-4.6: Implement cross-training for operating personnel so that emergency events in all areas of the Water Bureau can be addressed with existing personnel.

Recommendation M-4.7: Establish lead roles for direct crew work when no supervisor is present.

Recommendation M-5: Following an operations study of The Harrisburg Authority, evaluate the option of selling or leasing the water and sewage treatment facilities and/or contracting the operations and maintenance of these systems to private operators.

Recommendation N-1.1: Retain a sanitation planning firm to devise new routes for the Sanitation crews.

Recommendation N-1.2: Implement the use of performance measures for Sanitation Division.

Recommendation N-1.3 Consistent with the recommendations of a new routing system, reduce the number of collection crews from ten to seven.

Recommendation N-2.1: Contract housing demolition services.

Recommendation N-2.2: Coordinate with the City Solicitor to aggressively capture outstanding liens.

Recommendation N-3.1: Reduce street sweeping and free leaf collection to two occasions per year.

Recommendation N-3.2: Sell the ten oldest street sweepers in the City's fleet.

Recommendation N-4.1: Complete a vehicle utilization analysis and remove excess vehicles from the fleet.

Recommendation N-4.2: Develop and implement a vehicle replacement program and vehicle surplus schedule.

Recommendation N-4.3: Eliminate three automotive mechanic positions.

Recommendation N-4.4: Institute the use of life-cycle costing for City vehicles and equipment.

Recommendation N-4.5: Acquire and place into operation a computer-based work order system for fleet management, including maintenance services.

Recommendation N-4.6: Establish and monitor performance indicators to measure performance against industry and shop standards.

Recommendation N-4.7: Establish a fleet management internal service fund.

Recommendation N-4.8: Establish a fully burdened charge-back system to allocate the full cost of vehicles to the programs that use them to provide services.

Recommendation N-5.1: Move the Office of the City Engineer into the Public Works department.

Recommendation N-5.2: Develop and implement a plan that ensures a coordinated review of water, sewer and street maintenance.

Recommendation N-6.1: Start a Street Condition Inventory and a systematic street repair program by conducting a visual assessment of all streets to determine the safety issues that need to be addressed immediately and to develop a long term program tied to specific performance measures.

Recommendation N-6.2: Assign the GIS Manager and the Registrar of Real Estate positions in the City Engineer's office to manage the new Street Inventory and Condition Assessment effort.

Recommendation N-6.3: Establish a work order system based on the existing GIS Permit System.

Recommendation N-6.4: Stop all temporary cold patch repairs to the streets and reassign personnel to other duties within Highways.

Recommendation N-6.5: Establish a spray patch contract to provide permanent pothole repairs.

Recommendation N-6.6: Establish an annual workplan for the Highway Division crews.

Recommendation N-6.7: Institute a systematic program of inspecting all sewers using the equipment the City already owns.

Recommendation N-6.8: Renegotiate the mutual aid service provision to ensure that both the City and the Commonwealth benefit over the long term.

Recommendation O-1.1: Recapture maintenance funds expended on capital projects.

Recommendation O-1.2: Contract Sewerage Bureau capital improvements in close coordination with The Harrisburg Authority.

Recommendation O-1.3: Contract out the Sewerage Bureau's repetitive preventative maintenance activities.

Recommendation O-1.4: Use the regular monthly reporting meetings between the Sewerage Bureau, THA, and THA's Engineering Consultant to develop and track performance measures.

Recommendation O-1.5: Collaborate with The Harrisburg Authority during the creation of the capital and operating budgets.

Recommendation O-2.1: Establish a shared preventive maintenance system between The Harrisburg Authority and the Sewerage Bureau with an electronic work order system to improve communication, recordkeeping, operations, and utilization of human and financial resources.

Recommendation O-2.2: Institute a method to assure collaborative system planning between the City and The Harrisburg Authority, including the engineering firm on contract.

Recommendation O-3: Collapse three bureaus managing The Harrisburg Authority facilities into one bureau to capture collective savings and operational synergies.

Recommendation O-4: Prepare a procedures manual for preventive maintenance for plant and conveyance facilities that are a part of the Advanced Wastewater Treatment Facility, based on operational requirements.



## **ATTACHMENT B: APPLYING THE WORKLOAD-RELATED STAFFING METHODOLOGY – AN EXAMPLE**

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This attachment provides a hypothetical case to illustrate how to apply the workload-related staffing methodology recommended in this report. The hypothetical case is a unit that investigates only aggravated assaults and homicides.

*Step One: Determining the average number of hours consumed per case assigned for investigation by case type.*

To derive this number, the following data must be tracked separately for each type of case assigned to the unit:

- Total number of labor hours spent by unit personnel on cases assigned for investigation
- Total number of cases assigned for investigation

Table 1 contains the data used for this example.

**TABLE 1: ATTACHMENT B: 2009 LABOR HOURS AND CASES ASSIGNED FOR HYPOTHETICAL UNIT**

<b>Case Type</b>	<b>Number of Cases Investigated</b>	<b>Labor Hours Spent On Investigations</b>	<b>Average Hours Consumed Per Case</b>
Homicide	49	4,287.5	87.5
Aggravated Assault	273	6,006.0	22.0

*Step Two: Determining the projected case load hours by case type.*

To determine this factor, the following data must be tracked separately for each type of case assigned to the unit:

- Average hours consumed per case (as calculated in Table 1)
- The number of cases assigned for investigation per year each year for the most recent five-year period.

Table 2 contains the data used for this example.

**TABLE 2, ATTACHMENT B: PROJECTED CASE LOAD HOURS FOR HYPOTHETICAL UNIT**

<b>Year</b>	<b># of Homicides Investigated</b>	<b># of Aggravated Assaults Investigated</b>
2005	56.0	314
2006	42.0	295
2007	35.0	322
2008	55.0	230
2009	49.0	273
Five Year Total	237.0	1,434
Five Year Average	47.0	287
Average Hours/Case	87.5	22
Projected Case Load Hours	4,112.5	6,314

*Step Three: Determining the FTE requirement by case type.*

To determine this factor, the following data must be tracked separately by case type:

- Projected case load hours by case type (as shown in Table 2)
- Net available work hours per position (1,536 hours based on information provided by Police Bureau)

Table 3 has the data for this example

**TABLE 3, ATTACHMENT B: NUMBER OF FTE PERSONNEL REQUIRED BY CASE TYPE FOR HYPOTHETICAL UNIT**

<b>Case Type</b>	<b>Projected Case Load Hours</b>	<b>Net Available Work Hours Per Position</b>	<b># of FTE Personnel Required</b>
Homicide	4,112.5	1,536	2.67
Aggravated Assault	6,314.0	1,536	4.11

*Step 4: Determining the total number of investigative personnel needed.*

To determine this total, the following data must be available for this hypothetical unit:

- Number of FTE Personnel Required for Homicide Investigations (as shown in Table 3)
- Number of FTE Personnel Required for Aggravated Assault Investigations (as shown in Table 3).

Table 4 illustrates the calculation for this unit.

**TABLE 4, ATTACHMENT B: TOTAL FTE INVESTIGATIVE PERSONNEL NEEDED FOR HYPOTHETICAL UNIT**

<b>Case Type</b>	<b># of FTE Investigative Personnel Needed</b>
Homicide	2.67
Aggravated Assault	4.11
Total All Cases	6.78

This example illustrates the methodology used to arrive at the number of investigative personnel needed to staff the hypothetical unit, based on the workload data used in the example. In this particular example, the number of investigative personnel needed is 6.78. If the number is not a whole number, as will be the case most of the time, the number should be rounded up or down using the normal rule of rounding up to the next nearest whole number fractions of half or more, and rounding down fractions that are less than half. In this example, the number of investigative personnel would be rounded up to seven.

In addition to calculating the number of investigative personnel needed in a unit using the workload methodology, appropriate provision should be made for supervision and command using standards established for supervision through the IACP. In this case, applying IACP standards of one sergeant for every six to 10 personnel leads to the conclusion that one sergeant should also be assigned to the unit for first-line supervision purposes.